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ABSTRACT

This document describes a curriculum framework to which higher education and adult education institutions can relate in providing assistance for those who are interested in starting small businesses. The report begins by attempting to identify the particular population groups affected by the problem and relating to the opportunities for entrepreneurial development available within the United Kingdom. The proposed curriculum features a spiralling progression with flexible entry and exit points; it is suitable for a variety of attendance modes. The curriculum is based on a three-part modular program within each of which nine common themes or strands are developed. A proposal for diagnostic evaluation of course entrants follows, with suggestions for course implementation and comments on teaching and learning strategies. Some ideas on methods of assessing client-learner progress and competence are also put forward. The implications of this curriculum for staff development needs within further education are then considered. Finally, client-learner case histories and a number of assignments are included as examples of suitable teaching materials. Appendixes include a 15-page outline of curriculum content, a checklist of outcomes and competences, and a 5-page list of resource organizations and materials. (YLB)

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A Project Report

ED 290901

ENTREPRENEURIAL SKILLS

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ENTREPRENEURIAL SKILLS

A curriculum framework for self-employment in very small businesses

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FURTHER EDUCATION UNIT

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Dear Sir/Madam

ENTREPRENEURIAL SKILLS

Enclosed is a document of the above title. It describes a curriculum framework to which FHE and adult education institutions should be able to relate in providing assistance for those who are interested in starting up very small businesses. Commissioned by the FEU, it is mainly the work of Colin Doram and Ron Preece, with some later additions by Jim Hills.

The guidance is based on experience of a support organisation, HANDS*, established by the Hartlepool College of Further Education. The final document has been the outcome of validation seminars, an additional project by Huddersfield Polytechnic, and guidance received from the steering group (see Acknowledgements).

The design of the framework is based upon a spiral curriculum applicable to four client stereotypes:

i) 16- to 17-year-old school-leavers;
ii) initially trained personnel, such as trainees and apprentices, who have not been retained by their firms on completion of training;
iii) adults in mid-career, confronted by redundancy, unemployment and/or the need for change;
iv) prematurely retired adults.

Three basic modules are related to each other to achieve a spiralling progression: The self-employment alternative; Starting and controlling your own business; Developing your own business. Each of these three modules contains nine common strands that increase in complexity as different modules are tackled. This spiral of progression is illustrated in Figure 1, and the detailed content and outcomes are described in Appendices 1 and 2.

Various case studies in Section 9 demonstrate how, within this apparently formal structure, students are counselled into a programme suited to their needs.

The early sections of the document explain the background to the project, and, incidentally, the experience that supports the guidance. Sections 5, 6 and 7 describe how the framework is implemented. The use of a profile is suggested, as the whole ethos is supportive. This is not to be confused with a lack of realism. The document makes it quite clear that a right decision *not* to start a business can be an outcome just as valid as a successful launch into business.

An occasional criticism of entrepreneurial education courses is the inexperience of the tutoring staff. Section 8 acknowledges this as a problem and gives some guidance on staff selection and development. FEU *Enterprise Education Bulletins* should be an additional resource in this respect.

The FEU conferences held around the development of this document were over-subscribed and the evidence so far indicates that this should be a valuable resource for all institutions in providing enterprise education, whether in the context of YTS, CPVE, JTS, REPLAN or specially designed 'start your own business' programmes, or within the context of mainstream vocational education.

Readers interested in this area who require more information are referred to Appendix 3. Anyone with comments and suggestions for dissemination in FEU bulletins should contact Julia Coleman at the FEU.

Yours faithfully,

Jack Mansell

JACK MANSELL
Chief Officer

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* *HANDS — Help, Advice and New Development Support* Enterprise Agency.

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We are grateful to the Careers Research and Advisory Centre (CRAC) for permission to reproduce, as Appendix 3, details of resources contained in their publication *Education for Enterprise* (ed. A G Watts and P. Morgan) 1984.

SECTION 1
PROJECT BACKGROUND AND INTRODUCTION

1. Lying behind this project is the practical experience of HANDS (Help, Advice, New Development Support), an organisation formed as an initiative by members of staff from Hartlepool College of Further Education. The purpose of HANDS is to assist people from a variety of backgrounds and possessing varied levels of skill to develop their knowledge and skills in establishing small business enterprises in an area with exceptionally high levels of unemployment. Some of these 'client-learners' are seeking self-employment as a realistic alternative to unemployment. Others are starting up their own business, or developing it. It is unlikely that they have more than 10 employees working for them, and in most cases they have fewer or none at all: hence the term in the title of this project 'very small businesses'.

2. HANDS has for a number of years, mounted a series of evening courses designed to encourage the formation of new small businesses in its region: Hartlepool and the North East. The evening courses offer opportunities for the development of entrepreneurial skills, along with education for small businesses. Provision is extended to counselling and practical help as well as 'after care' and business development guidance.

3. The courses are attended by prospective and existing small business proprietors, community groups, voluntary organisations and the unemployed who wish to consider self-employment. In the various sessions, the numbers attending the evening courses were:

1980/81 - 255 1981/82 - 103 1982/83 - 91 1983/84 - 113 1984/85 - 144 1985/86 - 212	roughly made up of	21% redundant persons with capital 27% unemployed without capital 13% existing small business proprietors 30% employed but wishing to start self-employment 9% others, including housewives

The high numbers in the 1980/81 session indicate that there was an unfilled need for this type of course. Now the courses are being offered annually, there is a steady demand.

4. Although the number of business start-ups from attenders is no real guide to the success of the course, it is estimated that about 30% have embarked on self-

employment. Of these, the survival rate after four years is much higher than the national average and indicates the value of a programme such as HANDS.

5. At the end of the course, roughly 25% decide they no longer wish to pursue the concept of self-employment. This outcome is also valuable since such decisions are based on considered evaluation and reasoned judgement. It should be borne in mind that the figures quoted are for adults who have attended because they felt that self-employment or running a small business would form their immediate livelihood. If the same curriculum were to be used to provide a life skill for all students in further education, then it would be expected that significantly fewer students would actually progress into self-employment.

The projec.

Stage 1

6. During 1983-4, HANDS undertook a project funded by the Further Education Unit, aimed at developing an outline curriculum to meet the needs of those who wished to become self-employed by establishing their own small business. The curriculum arising from the project provides a flexible framework, developed by:

i) designing a four-part, integrated programme adaptable to a variety of attendance modes;

ii) compiling a checklist as a basis for defining outcomes and assessing competences associated with the programme;

iii) appraising the implications of the programme for staff and curriculum development within FE and in other settings.

Stage 2

7. This report, the second stage of the project, seeks to explain, develop and evaluate the HANDS curriculum strategy, giving detailed guidance on its implementation. It takes into account the views expressed at a conference held by FEU in October 1985. The suitability of the outline HANDS curriculum was generally confirmed by conference participants. A steering group was subsequently set up to guide Stage 2 of the project. Those involved with the researcher included representatives from HANDS, Hartlepool College of FE, Durham University Business School 'Education Enterprise Project', Huddersfield Polytechnic, and FEU staff.

8. In this final report, while the original aims of the project remain, the following further developments have taken place:

i) the original curriculum, based on four modules for entry and exit to the course, has been modified to stand as three modules (Sections 3, 4 & 5);

ii) a checklist of competences and outcomes has been included, together with guidance on its use, for the (optional) assessment of student performance (Section 7);

iii) the section on 'course implementation - teaching and learning strategies' has been extended (Section 6);

iv) the section on 'staff development' has been expanded (Section 8);

v) the examples of student case histories have been modified to comply with the new three module spiral layer for progression (Section 9).

9. It is hoped that this final report will provide a resource for immediate action as well as a basis for more development and trial-testing in other FE colleges, schools and the community in general.

10. An anticipated outcome of the project is a generalraising of awareness and expertise within the FE system of the relevance of education for self-employment to a wide range of vocational and pre-vocational curricula.

The purpose and content of this document

11. It is often claimed that the United Kingdom lags behind other countries in the western industrial world in identifying and nurturing entrepreneurial qualities - a fact which may help to account for the comparatively modest number of very small businesses in this country.

12. There is, however, a growing body of opinion in the UK which supports the development of a vigorous and greatly enhanced sector for very small businesses within the national economy.

13. Unemployment is high and youth unemployment very high - and likely to remain so in the foreseeable future; there are pockets in the country where it is nearly impossible for a school-leaver to obtain a job.

14. The Manpower Services Commission (MSC), with its Youth Training Scheme, offers a training experience which is geared to producing young people with a range of skills and abilities - but, in the main, the assumption is that trainees will eventually work for other people and organisations rather than for themselves.

15. In schools, education for work has been limited, and almost exclusively concentrates on preparing young people to be employed by someone else. Until radical changes are made in that sector - and this will involve changes in attitude by head teachers, teachers and careers personnel - further education offers the most likely arena in which youngsters and others can be given the essential life skills to survive immediate or future periods of unemployment. There are already moves to introduce enterprise education into school curricula. Examples include the Mini-Enterprise in Schools Project; Durham University Business School 'Education for Enterprise' project; School Curriculum Industry Partnership (SCIP); and Young Enterprise and the Education for Enterprise Network.

16. At the moment it is standard practice in further education for 'vocational' to be interpreted as meaning preparation and training for an occupation in 'employment' (i.e. working for someone else) to the almost total exclusion of self-employment as a realistic alternative.

17. One way of coping with unemployment is to start a small business or enter self-employment. The project team considers that both start-up and survival skills in self-employment should be taught to every student in further education as essential life skills. It is also to be hoped that colleges of further education will develop an ethos in which self-start initiatives are encouraged and the entrepreneurial spirit nurtured.

18. Because such courses in entrepreneurial development have not been widely available before, most adults who wish to be self-employed or start their own business have no skills or knowledge to help them assess their chances of survival and success. In addition to the main student population in FE - aged between 16 and 21 - there are older people who will wish to consider starting a business. It is against this background that the requirement for an entrepreneurial curriculum became apparent.

19. This report begins by attempting to identify the particular population groups affected by the problem and relating to the opportunities for entrepreneurial development available within the UK (Section 2).

20. The report then proposes a curriculum which features a spiralling progression with flexible entry and exit points, but which is suitable for a variety of attendance modes. The curriculum is based on a three-part modular programme within each of which nine common themes (or strands) are developed (Sections 3 and 4).

21. A proposal for diagnostic evaluation of course entrants follows in Section 5, with suggestions for course implementation, and comments on teaching and

learning strategies in Section 6.

22. Some ideas on methods of assessing client-learner progress and competence are also put forward (Section 7).

23. The implications of this curriculum for staff development needs within further education are considered in Section 8.

24. Finally, client-learner case histories and a small number of assignments are included as examples of suitable teaching materials in Sections 9 and 10).

SECTION 2
THE TARGET POPULATION AND FURTHER EDUCATION CURRICULUM

25. The project team believes that a course in entrepreneurial skills is essential for every FE student. In addition, there are other (largely unemployed) adults outside further education institutions who would come into colleges to benefit from small business education and training if such provision was suitably marketed. Four typical population groups can be identified to whom an entrepreneurial curriculum is applicable:

i) all further education students (full-time and part-time). In particular 16- to 17-year-old school-leavers in their first year of further education or training;

ii) apprentices/technicians who have not been retained by their firms on the completion of training;

iii) mid-career adults confronted by redundancy, unemployment and/or the need for a change;

iv) prematurely retired adults.

26. The first group has already been mentioned in Section 1. For those in this group who are in employment, the curriculum will form a life skill which can be drawn upon during a future period of unemployment or at any time when they consider it opportune to start a business. For those without a job, the curriculum can inspire them to try self-employment as an option: their self-confidence can be developed and boosted as a result of the effective preparation and training given on the course.

27. The last three groups probably all approach the self-employment alternative from a position of unemployment. They do so from widely varied standpoints. There will be great diversity in their ages, personal development, personal resources and levels of commitment. In addition they will have considerably differing backgrounds, experience, expertise and skills. For many students, self-employment will still be seen as a hazy idea, for others it is a possible way ahead. In some instances it can be a validated and tested proposal on the point of implementation.

28. The project team considers that there is an urgent need to provide opportunities for the target population groups to develop entrepreneurial skills for very small businesses and to participate in small business education.

29. A brief review of current provision of small business education and training shows that the proposed curriculum supplements the one that is already available, rather than duplicating it. The MSC funds some short retraining courses conducted mainly in university business schools, polytechnics and colleges of higher education. 'The New Enterprise Programme' and other small business courses for the unemployed are mainly aimed at redundant executives from large firms, who have committed themselves to starting their own businesses with prospects of quick growth.

30. In the non-advanced further education sector, some colleges provide *ad hoc* short retraining courses for those with a reasonably firm commitment to starting their own business. The MSC has introduced 'Skills into Business' in some colleges at the FE (rather than HE) level. This is a retraining course for the unemployed aimed at preparing them for self-employment, or for work in small businesses not likely to employ more than five people.

31. What is lacking is a widely available curriculum for the development of entrepreneurial skills as a life skills core at the further education level. A person completing such a course would have the essential education, skills and information to know that self-employment is an alternative, open to him or her at any time in life should the opportunity arise.

32. Another FEU report, available on request, is entitled *Entrepreneurship Education in Vocational Preparation: A Materials Adaptation Project* (RP 230). This project was also summarised in the October 1986 issue of the FEU *Enterprise Education* bulletin. The authors in part compare the basic curriculum of the HANDS project with the curriculum investigated in their report, namely the Program for Acquiring Competence in Entrepreneurship (PACE), developed by the National Center for Research in Vocational Education at Ohio State University, USA (1982). There are strong similarities between HANDS and PACE both in content and in modes of delivery, and any institution considering offering this curriculum for pre-vocational students should benefit from reading the RP 230 report.

SECTION 3
CURRICULUM STRUCTURE

33. This curriculum framework is intended to provide:

- a spiralling conceptual progression beginning with consideration of the self-employment option in general terms; this is followed by more detailed examination of the option, through to the actual decision to take up self-employment; the final stage in the spiral is the development and enhancement of a 'going concern';

- flexible entry and exit points recognise the varying characteristics and aspirations of the participants; for some the course provides basic information; for others - small business expertise; for yet others - counselling and guidance on starting, controlling and developing their own new business.

34. The framework represented in Figure 1 fulfils both these requirements. It consists of a three part modular programme. While all modules are related in order to provide an integrated course and to achieve the spiralling progression, each module has a distinct function. The modules comprise:

Module One: 'The self-employment alternative'
Module Two: 'Starting and controlling your own business'
Module Three: 'Developing your own business'

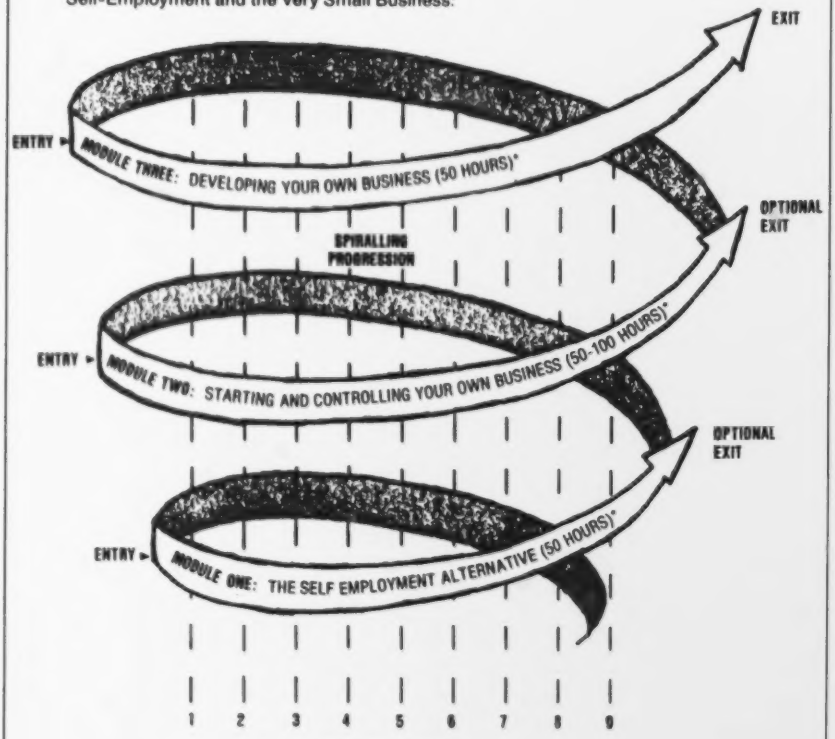
35. Nine themes are identified which form common strands through all three modules. The development of these themes gives particular coherence to the progression of the modules. The strands are given at the foot of Figure 1.

36. This framework is intended to provide a range of opportunities to suit a range of needs. This means that great care must be taken with the initial placement of course members in order to match their characteristics and aspirations with the correct starting module. Students in the 16-17 school-leaving group will usually start with Module One, whilst it will not be unusual to find mid-career and prematurely retired adults starting with Module Two. But unnecessary stereotyping must be avoided and access to the modules must relate to individual needs.

37. This curriculum is intended to harness enterprise within the community. It provides maximum opportunity to consider self-employment, enterprise or establishing small businesses as realistic alternatives to seeking employment or being unemployed.

Figure 1.

A Curriculum for Entrepreneurial Skills
Self-Employment and the Very Small Business:


EXIT
ENTRY
MODULE THREE: DEVELOPING YOUR OWN BUSINESS (50 HOURS)*
OPTIONAL EXIT
SPIRALLING PROGRESSION
ENTRY
MODULE TWO: STARTING AND CONTROLLING YOUR OWN BUSINESS (50-100 HOURS)*
OPTIONAL EXIT
ENTRY
MODULE ONE: THE SELF EMPLOYMENT ALTERNATIVE (50 HOURS)*
1 2 3 4 5 6 7 8 9

COMMON STRANDS

1. People in Business
2. Selling - A Means to a Living
3. Viability - Revenue, Expenses and Location
4. Cash Forecasting
5. Business Planning, Control and Protection
6. Sources of Finance
7. The Legal Environment
8. Taxation and Value Added Tax
9. Personal Counselling

* The number of hours of 'contact' or 'study' may vary according to local factors, the choice of learning materials, or the depth of treatment required. Module Two can be implemented as a single or double unit.

SECTION 4
CURRICULUM STRATEGY AND CONTENT

38. Earlier in this document it was mentioned that this curriculum has its origins in experience gained in an area where unemployment is well above the national average, redundancy is an everyday reality, and where the school-leaver who finds a job is the exception rather than the rule. The project team makes no apology for including in its research much material collected from the experiences, aspirations and motivations of people in such an environment who have examined in detail the self-employment option.

39. The curriculum sets out to give a meaningful and progressive understanding of the concept of 'enterprise'. It provides a practical means of encouraging, developing and evaluating the attitudes, responses, values and motivations of students. It also seeks, on both an individual and collective basis, to develop personal qualities, promote changed attitudes, engender fresh awareness and to reinforce qualities of personal responsibility and self-reliance. There has been close collaboration, consultation and discussion with small business organisations, industry and commerce at all stages of development of the modules.

40. The curriculum identifies relevant areas of knowledge and skills across the spectrum of business, including finance, accountancy, administration, communication and marketing. These are familiar topics for the business studies lecturer, and provide standard subject matter in countless text books.

41. But a note of caution : these text books are almost all written in the context of large companies and organisations. The staff development proposals set out in Section 8 of this report include important material which will help the lecturer relate by contrast to the small business. The detail and extent of learning needed by the potentially self-employed is a matter that can only be resolved by continuous counselling of individuals. It must be remembered that the self-employed are, within their own business, the production manager, chief accountant, sales manager, personnel manager, purchasing officer, all rolled into one. Therefore, whilst an understanding of the basics of most of the subject areas is needed, the degree of detail required is a matter of specialised judgement in relation to each student. This can only be ascertained by in-depth counselling of each individual, and analysis of his/her business idea and its requirements. This leads to a programme which is tailored to particular needs and which ought to leave participants well equipped to go forth and start their businesses with confidence.

42. Appendix 1 shows the detailed curriculum content which is advocated in this report. Section 6 provides an indication of appropriate teaching methods; Section 9 contains several student case histories; and Section 10 includes examples of assignments. These should illustrate the approach of the project team in dealing with particular individuals and topics.

SECTION 5
ENTRY TO APPROPRIATE SPIRAL LAYER

43. It is a prerequisite of this curriculum that there should be an entry opportunity for anyone within the four specific population groups. The objective is to give students the chance to evaluate their potential for running their own businesses, and to enable them to make an assessment of the prospects of success with their particular business ideas. They will be able to do this when they have enjoyed the benefits of basic small business education and the counselling and guidance which should be available from the course tutor.

44. Separate provision for some individuals or very small groups is desirable but may not be possible. For example, in some years, there may be insufficient numbers of non-retained apprentices who wished to pursue a self-employment alternative. Putting together participants from the various population groups into one class can often produce viable class sizes. The fact that entry to modules can occur from each of the target population groups may be an added advantage to course members in promoting free interchange of ideas, knowledge, experience and enthusiasms. An 'open learning' delivery of the modules may well have advantages, but this requires special arrangements*.

45. Entrants, as already noted, will display a great diversity of personal characteristics and, if they are to be directed to their maximum advantage, a detailed diagnostic appraisal is needed in order to assess their individual requirements.

46. This appraisal should not be concerned with attempts to make judgements about prospects for success in business - either for individuals or for ideas. The experience of the project team has indicated that no-one can make infallable judgements about particular propositions or individuals. Very often personal characteristics and motivation will determine the measure of success achieved with a business idea. For some an idea may turn out to be a great success, whereas for others the same idea may result in disaster. The diagnosis should be concerned to ensure that students enter the spiral at the most appropriate layer to satisfy their current learning needs.

47. The checklist of outcomes and competences in Appendix 2 may be used to assist in this diagnosis on entry, providing guidance to the potential participant

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*See, for example: *Implementing Open Learning in Local Authority Institutions* FEU/Open Tech, 1986.

as to what he or she will get out of the course. Particular strands where individual students will benefit from detailed study should also be identified at this stage.

48. There can be no hard and fast rules about determining a student's entry point. The illustrations which follow are drawn from the experience of the project team.

49. Gary, aged 17, won a young entrepreneurs' competition on regional television. His product was a unique style of ceramic ornamentation with considerable potential. However, he had no business experience or knowledge whatsoever. It was therefore apparent that he would need to start at Module One.

50. Harry had been a senior transport official with a nationalised corporation before taking early retirement. He was a recognised authority on rail transport, particularly the design and function of rail sidings. His business experience was specialised and, although he knew something about the basics of most aspects, he lacked detailed knowledge. The appropriate place for Harry to start was considered to be Module Two.

51. Bev had been manageress of one of a local chain of hair-dressing salons. She had considerable experience of methods of obtaining clients, keeping basic books and dealing with employees - in fact most of the subject areas that would be important to her in opening her own salon. She entered the course at Module Two, the module concerned with actually starting off in business. This enabled her to plan the start of her business and learn how to apply effective controls.

SECTION 6
COURSE IMPLEMENTATION - TEACHING AND LEARNING STRATEGIES

52. It must be realised that undertaking any or all of the modules relating to entrepreneurship can have two possible outcomes.

- The first is that the individual will achieve a level of success, become self-employed, or start up a small business, or maintain and enhance an existing business. This is only likely to happen to a small number of people.

- The second outcome is that the individual will 'self-develop'. Experiencing the modules, with others, will no doubt help all participants to learn something:

  - about themselves;

  - about the possibilities of self-employment or of running a small business for themselves;

  - about other people and their self-employment potential.

53. As far as possible, instruction should be within the context either of case studies or of individual experience and/or problems. Quite obviously, for young school-leavers the range of problems and experience will be different to that of adults who are closer to the issues of self-employment. Group discussions should be encouraged, with a rotating chairperson as presenter of the group's views. Experience has indicated that a group should rarely exceed six and that it is possible for one tutor to look after three or four groups within a single class. We have found that larger groups are likely to inhibit a free interchange of ideas and experiences.

54. A group of five or six encourages students to develop relationships. This group size also enables students to express their views without fear of ridicule and, more importantly, to divulge their detailed business ideas confident that no other member of the group is likely to poach them.

55. One successful example of this approach was occurred with the following group of five people, four of whom have since started their own businesses and become satisfactorily established:

Sheila designed and manufactured wedding dresses; *Merv* was considering a DIY shop; *Geoff* was a motorcycle enthusiast and thinking about establishing a centre for trials machines and spares; *Fred* was looking at hiring out trailers suitable for hitching to motorcars; *John*, who was employed in the travel business, was thinking of starting his own travel agency.

56. Regular meetings of the group had considerable impact on each member's thinking and went a long way in determining their ultimate courses of action.

57. Sheila's main worry was that if she worked at home customers would consider that her prices should be rock-bottom even though they were for first-class products. After much discussion and prompting from other members, Sheila went ahead and leased her own premises and is now successfully established offering products at the top end of the wedding attire market.

58. Merv had copies of past accounts of an existing DIY shop and the group spent much time analysing these and attempting todecide what offer he should make to the existing proprietor. The figure decided by the group approximated to the figure that Merv actually paid for the business. He is now successfully established.

59. Geoff's problem was that, although he feared redundancy, he had a good job, but lacked confidence in taking the step of leaving work and starting his own business. The outcome of group discussions was a feeling that there was unlikely to be sufficient demand in the specialist field of motorcycle trials riding to sustain a full-time business. The conclusion was that he should start the business from temporary premises, working at weekends and evenings, i.e. part-time, in order to see how it developed. In the meantime, he should continue his employment. This arrangement seems to be working quite well.

60. Fred was attempting to break into an established market and members of the group joined together to carry out market research with their friends and relatives to determine the likely demand for trailer hire and whether the market was already adequately served. This research produced results sufficient to bring doubts into Fred's mind and he eventually dropped the idea and considered other options.

61. John's main problem concerned premises for his travel agency. He was negotiating to take over a first floor office in a busy part of an industrial town centre when he joined the course. Discussion within the group revealed that most members felt that by not having a shop window, the business would be at an immediate disadvantage. Members of the group carried out research among their contacts to see how many people knew the names of businesses already

operating from the first floor in that particular road. The answer was very few. John went ahead but decided to risk the additional expense of taking shop premises at street level; he is now doing very well.

62. Acquiring and developing 'life skills', particularly planning, organising, leading, controlling and problem solving, is highly desirable. All elements of this curriculum are likely to contribute to the development of abilities, changes in attitude, levels of awareness and personal development.

63. Assuming that the majority of learners who benefit from the modules will be mature adults, care must be taken when selecting teaching and learning methods to match them to the intended learning outcomes. A brief reminder of how adults learn will perhaps save many periods of confusion and anxiety:

- many adults, particularly perhaps those who are currently unemployed, will be anxious about considering the course in the first place;
- others, while desperately keen to learn, will over-react or under-react to learning methods they are unfamiliar with;
- some will have had little or no 'education' since they left school and may expect to be 'taught' how to have 'enterprise';
- some will have very high expectations of the course, the tutors, and themselves; many will be disappointed in one or all of these.

64. It is the skill of the tutorial team which can help each individual to determine his or her actual employment needs. A skilfully handled course will be of considerable value to each participant.

65. Assuming that the modules, if offered in the form of short courses, will attract a cross-section of learners, it is appropriate to consider a wide range of teaching methods. Tutorial staff need to be aware of the sensitivities of course members and to adapt accordingly. Comments have been made by course members about the use of standard practices, e.g. common handout materials. Those returning to learn expressed the need for an introduction to study skills*. The performance and confidence of a course member can also been affected by a lack of resources e.g. the library is understocked with recommended texts.

66. The curriculum content and the intended learning outcomes demand a student-centred, experiential approach to learn.. for most of the topics. A

*See *Extending the Curriculum* Longman for FEU, 1986.

typical range of teaching/learning methods should include the following:

- class exercises
  small group work
  small group tutorial
  - each of these could be based on case study material

- use of pre-structured and incomplete handouts, checklists and worksheets
  - see MSC's Self-Employment Course

- presentations by visitors, e.g. a small business owner, a manager, a self-employed person, - together with group discussion/tasks

- specific tasks for groups or the individual, to include assignments and projects, e.g. design a publicity brochure or design advertising material for local papers

- use of a range of visual presentations, e.g. video
  - with role play
  - with simulation exercises, e.g. interview with bank manager

67. Obviously not all these methods are suitable for all areas of the curriculum. The approach could be quite different between the introductory Module One and the in-depth treatment required in Module Three. Examples of methods used and materials available can be seen in Sections 9 and 10 of this report.

68. The small business world and those who serve it must not be overlooked in organising this type of course. Invaluable assistance can usually be obtained from personal contact with such individuals and organisations. Local enterprise agencies, small business clubs, the Council for Small Industries in Rural Areas (CoSIRA) and the financial institutions, for example, will be only too pleased to supply literature and give advice, and they can often provide a visiting speaker. Visits can be made to small business club meetings and to events such as trade exhibitions. Representatives of banks, finance houses and insurance brokers are often prepared to help by making presentations on the course. Secondments of course members to very small businesses are, we have found, generally not welcome. In a very small business, an intruding observer often turns out to be a hindrance and tends to side-track the entrepreneur.

69. Use of action learning techniques can often be made in Module Three (Developing Your Own Business) which is largely concerned with students who have already made the decision to go ahead and start their own very small businesses. At this stage of the curriculum, students will have obtained consider-

able small business education and will have experienced personally many of the problems associated with running their own businesses. They will be ready to make active contributions to group discussions on business development and enhancement. In fact, Module Three can best be implemented through the mutual pooling of ideas and experience, with teaching staff acting as guides and counsellors rather than providing instruction or prescriptive solutions and remedies.

70. The tendency apparent in many small business courses, to use the number of recorded start-ups as a yardstick for success must be resisted. With this curriculum, the objectives will have been attained when students have completed at least some of the modules and then made their own decisions. Business start-ups are a satisfying outcome from the tutor's point of view, but it must be emphasised that considered and realistic decisions not to proceed should be looked upon with equal satisfaction.

SECTION 7
ASSESSMENT FRAMEWORK

71. It is not appropriate on this type of course to employ conventional methods of grading or certification to denote 'success' or 'failure'. After all, bank managers have been trying to make this judgement for years with mixed results!

72. It is possible, however, by using the checklist of outcomes and competences in Appendix 2, to assess the progress and competence of students in the various modules and strands of the curriculum. Coursework will provide some evidence of the standard of competence attained.

73. The checklist comprises statements, derived from the course content in Appendix 1, to the effect that 'by the end of the unit, the client-learner should have ...' e.g. 'become more self-aware'; and so on through each strand and each module, as applicable.

74. In this way the checklist can provide a basis for a formative profile, which can be developed along the lines of Figure 2 below. This can be the mechanism through which the tutor and client-learner discuss their perceptions of progress and agree whether 'further experience and support' are needed, or whether he/she has 'demonstrated understanding and application' in that unit. The profile is obviously capable of greater refinement, but this should be a matter of local development.

75. In the individual counselling sessions, the course tutor ascertains whether the student has achieved the necessary degree of competence and level of knowledge to meet his/her own individual requirements within each unit. The topics needing further attention will then be exposed. There should be ample opportunity for remedial work so that a satisfactory level of competence is attained. The checklist has then also served the negotiation process between the tutor and the client-learner.

76. Continuous counselling is an essential part of the course. Each student identifies with the tutor those topics which are going to be vital to a considered decision for self-employment in relation to his/her particular idea. The level of competence in these topics should be subject to analysis and discussion by the tutor and client. Where appropriate, additional practical assistance should be given. In other topics all that may be needed is for the student to demonstrate a degree of basic understanding.

77. Some students completing Module Two (Starting and Controlling Your Own Business) and Module Three (Developing Your Own Business) will either

Figure 2. *OUTLINE PROFILE* (Example)
(Based on Appendix 2)

MODULE ONE: THE SELF-EMPLOYMENT ALTERNATIVE		
PROGRESS AND ACHIEVEMENT → / STRAND AND OUTCOMES ↓	Further experience required	Has demonstrated understanding and application
By the end of the unit the client-learner should have *Strand 4: Cash forcasting* Produced and used cash flow forecasts with differing assumptions Discovered that 'profit' is not the same as 'cash'. Considered basic policies for credit control and collection *Strand 5: Business Planning Control and Protection* Produced a basic business plan and identified appropriate planning and control systems Made a presentation of the business plan. Listed the common types of busi Explained the need against the ti by entrep	- additional assignment set necessitating examination of forecasts of company x. - to carry out further survey analysing credit control policies of two small local firms	Successfully completed case-study on Jones & Co.

be ready to start or will already be in business. For these students, some constructive appraisal of their ability and entrepreneurial 'nous' is often welcome. This can be accomplished by their appearance before a small panel which ideally comprises a couple of experienced and well-established members of the small business community (small business clubs or chambers of commerce will usually help), two recent starters (ex-course members), and the course tutor. It has been found that involving former students on these appraisal panels is an excellent means of keeping in touch and often leads to further help.

78. There is some evidence* that the development of a bank of performance descriptors, from which an individual profile can be constructed, is an assessment strategy appropriate to adults, especially if self-assessment is encouraged.

79. The modules, and the spiral progression, offer entry and exit points which are not necessarily taken up one immediately after the other. If modules are offered on a short course basis, some form of continuous assessment carried over from one module to another is desirable.

80. The checklist of outcomes and competences shown in Appendix 2 can be used as a formative or summative profile. But for this course, assessment should be optional. Not all client-learners will find it necessary to complete tasks or assignments and some would not require their success, or otherwise, to be recorded. If formative assessment is seen as a supportive part of the learning process, few learners object. Certification is another matter. However, there are many students who wish to complete tasks and assignments and find it motivating to have their success recorded.

81. Some parts of the curriculum can be delivered in terms of tasks and assignments. Section 10 of this report gives examples of the type of tasks and assignments which would give indications of competences and levels of achievement. For example, Illustration Assignment 2 requires a simple questionnaire to be produced, but this can be quite a complex task. Illustration Assignment 3 requires students to carry out exercises in keeping basic books. In both these cases and many others a level of competence can be indicated on a checklist as in Figure 2 opposite.

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*See, for example, the achievement checklist for the City and Guilds Youth Trainers Award (CGLI 924) and the Royal Society of Arts Certificate for Vocational Preparation Tutors (CVPT). The CVPT makes use of a bank of descriptors which provide a summative focus for a series of competences grouped within a logbook as checklist items. These profile sentences also offer a set of criteria by which national standards of attainment may be established for local programmes of staff development.

SECTION 8
STAFF DEVELOPMENT

82. The choice of staff to deliver this curriculum is crucial. With most conventional courses it is to be expected that staff should have had recent experience of the curriculum content. In the case of self-employment or running a small business, however, few staff in further education have this background or experience.

83. Generally, those staff who work in management and business studies departments in FE have had experience of line or departmental management in large organisations. A teacher with this type of industrial or commercial background cannot automatically be expected to make a success of offering courses in entrepreneurial skills, without the support of staff development.

84. Not all staff in business studies departments are necessarily suited to this curriculum area. Some may find that their industrial, commercial and current teaching experience does not stand them in good stead. On the other hand, staff in other departments in an FE college, e.g. catering, automobile engineering or construction, may have had worthwhile experience running their own businesses and could make a very useful contribution to a 'team' approach for the delivery of this curriculum.

85. In practice, the content and its treatment are likely to require different approaches from more conventional courses. Staff development and training should therefore be an essential feature for those institutions intending to offer the course. It is a prime requirement that staff offering the modules should have sufficient skill to present and develop the concepts of 'enterprise' and 'entrepreneurship'. A carefully thought out staff development programme will help this to take place.

86. Some staff will have had some of the experiences of entrepreneurship and these should be exploited. Their personal experiences will help in relating to course members, and there seems an obvious need for at least one or more member of staff with this kind of direct experience to be in the course team. As part of a staff development programme they can lead the way for less experienced staff to become accepted by student groups.

87. The innovative nature of much of this curriculum area makes it important that any staff development programme be curriculum-led. That is, the demands of the curriculum should be compared to the expertise of the staff. Areas which seem particularly relevant to staff needs include:

- the nature of 'enterprise' and 'entrepreneurship';
- a range of effective teaching and learning methods;
- the development of counselling and guidance skills.

88. As the concepts of enterprise and entrepreneurship become more widely used and more commonplace, so the two concepts themselves develop. The themes of self-employment acumen and small business expertise are increasingly seen as credible alternatives to employment and unemployment, and understandably there are now a number of organisations and agencies promoting them. Appendix 3 gives details of sources of information and resources which could form an essential part of a staff development programme.

89. As a result of the continuing problem of youth unemployment some organisations are developing the concept of 'enterprise' at both school and college levels. Specific staff-training programmes are currently being developed and delivered by the Durham University Business School. Much of this valuable information is appropriate to this curriculum. The YTS programme is also offering opportunties in this area.

90. All forms of staff development should include the acquisition of technical information regarding self-employment and starting up a small business and, perhaps more significantly, the use of the appropriate range of teaching and learning methods.

91. Details of some of the successful variations of staff development opportunities are given below.

a) Industrial/commercial secondment to a recently formed small business or self-employed person. The 'employer' could be paid for their contribution to the staff development programme, which in turn could be seen as a development of their own business. Unfortunately however, such a secondment is sometimes difficult to arrange: the last thing most aspiring entrepreneurs wish for is to be encumbered with an observer from the local FE college! But 'work shadowing' is an increasingly popular device*. A suitable alternative could be a secondment to one of a variety of emerging industrial innovation centres, industrial parks, or an enterprise agency.

b) Monitoring of new ventures by FE staff. This could take the form of short visits by a tutor to a new business or a self-employed person. Simple counselling, with the aid of a checklist of 'factors affecting operations',

* 'Work shadowing' occurs when a person at work is accompanied by an observer who is there to learn about the job as experienced on a day-to-day basis.

'pit-falls' to look out for etc., could be helpful. This arrangement could provide much useful information on which to build case study material.

c) Visits to course meetings by active entrepreneurs. There are obvious benefits to members of staff through contact with active entrepreneurs on such occassions.

d) Tutorial staff should arrange meetings/workshops to plan and prepare, for example, case studies, projects and assignments. This should be done preferably under the guidance of experienced tutorial staff.

e) Tutorial staff should also seek help and materials from chambers of commerce, local government departments and other local agencies who may have influence on the success or otherwise of self-employment and small business ventures.

f) Tutorial staff teams should plan and organise, as part of their own development, a range of teaching and learning strategies appropriate to the curriculum content and course members' experiences, needs and aspirations.

g) Some tutorial staff will also benefit from help in developing their own counselling skills. An important feature of self-employment and small businesses is that of 'the individual case'. There will be an increased demand for individual tutorial and counselling time, and perhaps 'progress clinics', for which the skills may be quite new to some FE staff. Some training and practice will also be required in the formative and summative use of a competence checklist.

92. *Planning Staff Development No.2* (August 1986), an FEU bulletin, proposes a framework for analysing staff development needs and would assist in the consideration of techniques that might be employed to enable the identification of these needs. The bulletin illustrates a number of approaches towards implementation of such staff development, giving case study examples of existing good practice.

SECTION 9
STUDENT CASE HISTORIES

Ray pedals on: *Module Two (Starting and Controlling Your Own Business), Strand (2) (Selling - A Means to a Living)*

93. Ray came to us when he was made redundant by a large cheese distributor. He had represented Great Britain in cycling at a previous Olympic Games and had become a well-known national personality, particularly to people interested in competitive cycling.

94. While still working, Ray, in his spare time, had designed a new racing cycle which he thought might be highly marketable. When he was made redundant he started marketing work with his many contacts in cycling clubs and with specialist cycle dealers. The response was extremely good and he obtained firm orders for about 200 cycles.

95. The access to the course for Ray was Module Two (Starting and Controlling Your Own Business). In Strand (2) 'Selling - A Means to a Living' most of the subject headings had already been covered by Ray himself, the sales presentation, testing the product, special features, market research, etc.

96. We examined with Ray the cost estimates upon which he had calculated his selling price and found that, although he had not calculated the price using the accepted techniques, his final answer was not too unrealistic. Nevertheless, it was apparent that serious attention needed to be directed towards price fixing. Bearing in mind that Ray had not yet compiled a Business Viability Forecast [Module One Strand (3)], it was important that he study this topic. He had little difficulty in forecasting the weekly sales of the business for he knew that the equipment he proposed to acquire had a capacity to manufacture six cycles a week and he already had a forward order book for about eight months. He was then shown the importance of sales forecasting in the compilation of profitability forecasts. We further encouraged him to compile the cost structure of his business which he did under close guidance.

97. The forecast of profit resulting was then reviewed and Ray examined how to assess the adequacy of profit. Using the data on his 'Business Viability forecast' we then turned his attention to price fixing techniques. He learned to understand the differing characteristics of costs, how some are fixed and others variable [Module Two Strand (2)]. We examined together how an appropriate profit margin should be added and how the resultant answer needed to be looked at in relation to the prices of rival products on the market. Having worked through this programme under close guidance and with constant counselling, we were

confident that Ray had a confident grasp of the marketing and pricing implications of running his new business.

Christine's Tune: *Module One (The Self-Employment Alternative). Strand (1) (People in Business), Strand (2) (Selling - A Means to a Living), Strand (3) (Viability - Revenue - Expenses and Location).*

98. Christine is aged 23, recently separated from her husband and has a three-year-old child to bring up. Before her marriage she had been employed in a children's home and had found that she had enjoyed much of the domestic work, particularly that part of her work which brought her into contact with members of the public, both at the home and at fund-raising events.

99. She was searching for a business idea which would enable her to act in a domestic role and also deal with members of the public. When she joined the course she was considering acquiring a small cafe.

100. The obvious access point for Christine was Module One (The Self-Employment Alternative). In her studies of Strand (1) 'People in Business' it soon became apparent that her personal motivation was extremely high and that she showed great interest in, and commitment to, the idea of self-employment. When she moved on to Strand (2) 'Selling - A Means to a Living', she took a first detailed look at her business idea. She started looking at sales forecasting, and compiled a questionnaire for use with her fellow students. The other students assisted in assessing her questionnaire and recommended a number of alterations.

101. Christine was very keen to find a special feature which she could market, she concluded that 5.00 am opening and a comprehensive breakfast service might be the answer.

102. She again showed considerable initiative. After testing the questionnaire on fellow students (required in Module One), she then tried it out on the general public and with the employees of road haulage companies in the area. The results were very encouraging - it was apparent that there was potential demand for her type of service. Unfortunately it also began to emerge that suitable premises were difficult to acquire and expensive to lease. It became necessary at this point for the tutor to intervene and direct Christine to consider Strand (3) 'Viability - Revenue, Expenses and Location'. She compiled a viability forecast which was then reviewed by the other group members together with the tutor. The outcome of the discussions was that Christine was able to refine her forecast and conclude that, at the likely levels of rent and rates, the idea lacked viability. We were

impressed by Christine's readiness to make the unpalatable decision to drop the idea.

103. She then started thinking about hobbies and pastimes (Strand (2) 'Selling - A Means to a Living'). In her spare time Christine played the oboe in a local wind ensemble and had developed some expertise in repairing woodwind instruments. Using the experience she had obtained in examining her original idea she soon began to form the view that there may be considerable scope in offering an instrument repair service. There were few rivals and she thought that there was plenty of potential business from such sources as children in school orchestras, who are often very rough in handling their instruments. She would be able to work from home. At the time of writing she is studying Module Two (Starting and Controlling Your Own Business). We are confident that when she progresses to Module Three (Developing Your Own Business) she will become self-employed and begin offering her unusual service.

Peter's Interview : *Module Two (Starting and Controlling Your Own Business), Strand (3) (Viability - Revenue, Expenses and Location), Strand (6) (Sources of Finance).*

104. Peter was Managing Director of a subsidiary company operating a number of timber yards in the North-East of England. The parent company is one of the largest timber importers in the United Kingdom. A decision was made to 'wind up' the subsidiary company. As a result, Peter became redundant in mid-career.

105. In the course of his work, Peter had been responsible for all aspects of management, including finance and banking arrangements. It was part of his everyday duties to liaise with the company's bankers and it was a regular experience for him to discuss the financial progress of the business with the bank manager.

106. His plan was to open a small factory manufacturing furniture and distributing to the retail trade.

107. In studying Strand (3) (Viability - Revenue, Expenses and Location), Peter drew up a cash flow forecast for his business idea. This revealed that he needed only minimal tuition. We then knew how much cash was required by Peter to finance his plans and when that requirement would arise. In Peter's previous position he had relied upon a 'works accountant' to manage the cash situation, compare actual cash flow with projections and report on the implications of deviations from the forecast.

108. Now he had to learn the mechanics of this role for himself. He picked up the rudiments to a level which he considered satisfactory relative to the size of his projected business. We were then concerned with Strand (6) 'Sources of Finance' and the requirement for Peter to present his business plan, including his cash flow forecast, to his banker in order to obtain the necessary finance to enable him to commence his business. We considered with him how much of his own cash should be introduced into the business and the collateral and personal guarantees he may be able to offer. Peter, although quite used to visiting the bank manager, seemed to tense up when the matters under discussion were his own business plans and the outcome of the meeting was crucial to his future. We encouraged Peter to try to relax and improve his personal presentation. Role playing became an extremely useful technique in solving this problem. In the first instance tutors took the banker's role, then fellow students and then, unknown to Peter, a bank manager in person. By this time Peter was taking a confident part in the role playing and presenting his plans most impressively. When subsequent discussion revealed that the last interview was with a real banker and that he had made a first class impression, we were sure that Peter had broken through his barrier.

Leisure Time with Barbara and Carol : *Module Two (Starting and Controlling Your Own Business), Strand (7) (The Legal Environment).*

109. Barbara and Carol are both 19 and single girls. Barbara had been studying textile design at college while Carol was employed by a local tailoring factory. During college holidays Barbara had done some sales demonstration work : her personal presentation is excellent and includes a very persuasive line in sales promotion.

110. When they joined the course, they had been manufacturing some leisure garments of original design in their spare time and had sold some of them to friends at a local health spa.

111. We considered their most suitable access point to be Module Two (Starting and Controlling Your Own Business) and that probably the most pressing matters to be studied were embraced by Strand (7) 'The Legal Environment'.

112. Market research in Strand (2) had already indicated that direct selling at health clubs and gymnasiums and by party plan might well produce extremely encouraging results. Assuming this to be the case, manufacturing premises would be needed, anticipated demand being considerably in excess of the machine and storage capacity of the girls' homes. Their studies required them to understand the different characteristics, advantages and disadvantages of leasing as distinct from licensing, and of acquiring the freehold in comparison with leasing and/or licensing systems.

113. Carol appeared to find the desirability of having an assignment clause in a lease difficult to understand. We overcame this difficulty by personal counselling which made her aware of the desirability of being able to transfer the lease in the event of business failure or of success leading to a need for larger premises.

114. We helped Barbara and Carol to identify the providers of suitable starter manufacturing units - such as English Estates Corporation, the Borough Council, British Steel (Industry) Limited, private sector developers, local estate agents.

115. They were encouraged to present their needs in a practice interview with tutors and fellow course members. They then went ahead and approached the providers to obtain the basic information needed in order that the number of possible locations could be considerably reduced. They gained information about the whereabouts of factory units, the size of these units, rent and rates, terms for leasing/licensing, options for purchase, whether in enterprise zones, development areas, etc. Additionally, they were offered various rent and rate concessions, grants and cheap loans.

116. There is no doubt in our minds that Barbara and Carol obtained the sort of detailed data that would enable them to make a considered choice of premises when they turn their part-time activities into a full-time business.

Tony's Tax : *Module Three (Developing Your Own Business), Strand (8) (Taxation and Value Added Tax).*

117. Tony had been employed as site agent by a national housebuilding company and was asked to take early retirement. He was 52 years old and a carpenter by trade.

118. After nine months of unemployment he had decided to start his own business as a jobbing builder, specialising in construction of walls, garages and house extensions. He had useful contacts in the trade and with the local authority. Consequently there had been a steady flow of trade and his business had made sound progress in its first year of operation.

119. Although he had never received any formal business education, his old position with his former employer had given him responsibility for all aspects of site management. He therefore felt quite capable of handling the business start-up and its first months of development.

120. His need for some business development learning and continuous counselling arose when he was offered, by the main contractor, a substantial quantity of work as a sub-contractor, renovating and improving buildings in an inner urban improvement area.

121. His point of access to the course was Module Three (Developing Your Own Business) and we examined his progress in Strand (8) 'Taxation and Value Added Tax'. Uppermost in Tony's mind in anticipating this period of expansion was the need to ensure that his first year's profits were retained within the business, as he knew only too well that cash was likely to be at a premium. He learned about the 'business expansion scheme' and not unexpectedly found it a little difficult to understand. However, he did grasp that it was leading to 'Venture Capital' organisations being established and that such funds could be available in certain circumstances.

122. Not unusually, Tony also found difficulty with grasping the principles of Opening Years basis for tax assessment. However, after his satisfactory compilation of tax computations in two assignments, he was very pleased to check that his accountant had performed the computations correctly for his own business.

123. He was then shown the principles of Class 4 National Insurance contributions.

124. Although the new contract for his business was the first sub-contracting work that he had carried out, he knew of the existence of the 'Sub-Contractors' Tax Exemption Certificate' and soon realised the urgent necessity of acquiring one if his business was not to suffer a major setback in its cash flow. We progressed through revenue statutes so that he felt confident about the legal provisions and the conditions of issue. He obtained a handbook from the Inland Revenue explaining the tax situation in the construction industry. Then, under supervision, he compiled his own application to the 'Revenue'. He was quite elated when, while studying another module, he received his certificate.

Anne's Accounts : *Module Two (Starting and Controlling Your Own Business), Strand (5) (Business Planning, Control and Protection).*

125. Anne is 17 and she has been attending dancing classes since the age of three. Her studies were at an advanced stage and she wished to use her expertise by opening her own dance studios. She had sought counselling services from us at the time she left school in order to assess what she would need to do to start her own business and the prospects for some form of grant aid to enable her to acquire suitable premises. We had approached the 'Prince's Trust' and a number of other Youth Enterprise Assistance Agencies only to find that Anne lived in the wrong area, or that dancing schools did not qualify for support.

126. Anne then decided to follow the curriculum. She began with Module One (The Self-Employment Alternative) and we considered that she showed understanding, a sense of responsibility and a high degree of motivation.

127. She progressed to Module Two (Starting and Controlling Your Own Business) but when she studied Strand (5) 'Business Planning, Control and Protection' we immediately noticed a tendency to lose interest. Anne struggled and did not appear to understand the principles upon which a system of basic accounts books are compiled.

128. Some recent starters in business, who incidentally included a business failure, were then introduced to course members. Anne also had the opportunity to listen to a 'liquidator' talk about common causes of business failure, principal of which is failure to maintain adequate financial books and an inability to exercise financial controls. Anne then began to see keeping accounts books not so much as a nuisance to be contended with, but as a necessary prerequisite to establishing a successful business.

129. Anne's interest increased and she saw that regular compilation of the accounts of the business had many advantages and it meant that she could have at hand details of takings, purchases, money owed and owing, cash in the bank, etc. She could compare forecast viability and actual performance and manage the cash flow of the business much more effectively. She would be able to compile a VAT return with the minimum of clerical work.

130. We were pleased to note that, towards the completion of this strand, Anne was not only enthusiastic about her newly learned expertise but that she was guiding some of her fellow students and increasing their interest too.

Michael's Market : *Module Two (Starting and Controlling Your Own Business), Strand (2) (Selling - A Means to a Living).*

131. Michael is a newly qualified ophthalmic optician and was planning to establish his own optician business.

132. His access to the course was with Module Two (Starting and Controlling Your Own Business). Particular attention needed to be given to Strand (2) 'Selling - A Means to a Living'.

133. He had no idea whether the town where he lived was already adequately served by opticians and was very vague about the prospects of being able to break into an established market.

134. Market research for Michael was vitally important and needed detailed investigation. Michael sought out relevant publications and data, contacted his own professional association and was able to establish the percentages of optician customers in each age group. He also established the generally recognised

yardstick of number of opticians per 10,000 population. He was then able to compare this information with the actual number of opticians practising in the town. We were quite impressed with the amount of data uncovered by Michael and his methods of tabulating the results of his enquiries on a microcomputer.

135. We shared Michael's newly acquired confidence that the potential business available would be sufficient to ensure a sound start to his venture.

SECTION 10
SUPPORT MATERIAL

Illustrated in this section are three assignments which are typical of those that can be used to implement the curriculum.

Assignment 1 - Jack Frost

Module One, Strands (3) and (4) - Business viability forecasts; Cash flow forecasts.

This illustrates the situation of an executive who becomes redundant after 10 years. It involves the assessment of the viability of a business idea, which at first seems unsatisfactory. There is then an opportunity to consider ways in which the viability could be improved. These include increasing the price, reducing costs and increasing production. The remaining option of dropping the whole idea can also be considered. There is the opportunity to produce a cash flow forecast in order to ascertain the amount of cash which will be needed to finance the venture and also to determine when the cash will be required.

Assignment 2 - Harry and Tom

Module Two, Strand (2) - Offering what the market wants; Assessing the competition.

This illustrates a group study in which a commonplace idea is studied in order to ascertain the methods of assessing the extent of the potential market, the needs of potential customers, how the market will be reached, the strength of competition, etc.

Assignment 3 - Keeping Basic Books

Module Three, Strand (5) - A basic system of keeping books.

This illustrates the processing of simple financial transactions through a basic system of suitable financial books. It also shows how a VAT return can be completed from this basic system.

Illustration assignment 1 - Jack Frost

Business viability and cash flow

Jack Frost has been employed as a regional sales manager for a large motor manufacturer for some 10 years. Owing to changes in market shares, Jack is being made redundant and expects to receive £5,000 in redundancy payments. He has, in his spare time, been developing a heated steering wheel and plans to start a small factory to manufacture these and use his many contacts in the motor industry to sell the product through the trade. He has a further £2,000 which he is prepared to invest in the business in addition to his redundancy pay. He is going to invest in plant costing £2,000 and a delivery van which will cost £2,000. He estimates these will have a life of four years. The plant has a maximum capacity of 100 units per week, although he hopes to operate at 80 units per week, which he confidently expects to be able to sell. He feels a little worried about extra output, although if necessary, he realises, he will have to try to find a market for it.

He asks you to help him assess the viability of his plans, and provides the financial information which is set out opposite. Would you advise him to go ahead at the 80 unit output level or is it necessary for him to consider a higher level of output, *or* is the whole idea a non-runner?

He will be quite satisfied with a remuneration of £100 per week and he wishes a return of 20 per cent on the capital he has invested. He is of the opinion that, when the time comes to replace the assets, the cost will have increased by 100 per cent. He needs to provide for this and also would like to be able to provide for expansion. Provision will also need to be made for taxation.

Proposed selling price: £12.50 per unit.

Wages	- 2 men at £100 per week for any output level over 60 units per week.
Labour-related costs	- 10 per cent of gross wages.
Materials	- 22 per cent of selling price.
Services	- 50p per unit produced.
Repairs	- 30p per unit produced.
Electricity	- 2 units of electricity per unit of output at 25p per unit.
Rent	- £50 per week.
Motor expenses	- Estimate of £100 per week.
Stationery	- £520 per annum estimate.
Postage	- Estimated at £20 per week.
Telephones	- Estimated at £520 per quarter.
Selling expenses	- 10 per cent of value sales.
Provision for bad debt	- 1 per cent of value sales.
Insurance	- Brokers advise £312 per annum.
Legal and audit fees	- £450 per annum estimate.
Bank charges	- £250 per annum estimate.
Bank interest	- He anticipates an average overdraft of £2,000 relative to an 80 unit level and pro rata relative to any increase in output; interest will be at 20 per cent per annum.

NOTES

(1) Assume 4 weeks per month except in August when there will be 3 operating weeks.

(2) Production - Sales will build up as: April - 50%
May - 75%
June - 100%

(3) Average credit received 30 days
given 60 days

NB : Ignore VAT.

(4) For technical reasons it is not possible to operate on less than 60 units per week.

This assignment should begin with students compiling a viability forecast from the data provided. The solution is shown in column (i) of the completed business viability forecast shown on page 38. Obviously the result is unacceptable and this should provide an opportunity to examine whether there is any future in the idea and how it may be possible to revise the plan in order to render it viable. There are two particularly important matters which can become the focus of discussion:

(i) the impact of output changes on the movement of different types of cost;

(ii) consideration of price increases - our experience is that for many self-employed people there is marked reluctance to consider price increases. This is probably because there are two main ways in which a new business can penetrate an established market - personal service and/or shading the price.

Here then is an excellent opportunity to put forcefully the argument that price increases, if feasible, are by far the easiest solution to improve profitability and, incidentally,to avoid the treadmill of additional output with the resultant search for additional sales outlets.

A viability forecast can now be obtained from the revised plan. We show in column (ii) of the completed business viability forecast on page 38 our forecast which is based on an increase in output and reveals a situation which can be examined by the students to determine its acceptability. We think the result shown is just about satisfactory.

The next stage is for students to compile the 'Cash Flow Forecast' based upon the revised plan. The class can then discuss the implications of the completed forecast. The forecast based on column (ii) is included on page 40. This reveals a peak need for financial support in July of approximately £4,500.

BUSINESS VIABILITY FORECAST

	(After .... months) Per week £	£
SALES (No VAT)		
COSTS		
Materials used		
Services bought in		
Packaging		
Gross wages (including your own)		
National Insurance		
Rent and rates		
Heating, lighting and power		
Repairs to plant and machinery		
Motor vehicle repairs and running expenses (include tax and insurance)		
Stationery and office expenses		
Postage		
Telephone		
Advertising (selling expenses)		
Insurance (Employer's liability, engineering, cash in transit, public liability)		
Legal fees		
Audit and accounting fees		
Bank interest		
Bank charges		
Hire purchase interest and leasing charges		
Depreciation		
Bad debt provision		
Profit/(Loss) per week		

BUSINESS VIABILITY FORECAST - J FROST

(After 3 Months)
Per week

	(i) £ 80 units	(ii) £ 100 units
SALES (No VAT)	1000	1250
COSTS		
Materials used	220	275
Services bought in	40	50
Packaging	-	-
Gross wages (including your own)	300	300
National Insurance	30	30
Rent and rates	50	50
Heating, lighting and power	40	50
Repairs to plant and machinery	24	30
Motor vehicle repairs and running expenses (include tax and insurance)	100	100
Stationery and office expenses	10	10
Postage	20	20
Telephone	40	40
Advertising (selling expenses)	100	125
Insurance (Employer's liability, engineering, cash in transit, public liability)	6	6
Legal, audit and accounting fees	9	9
Bank interest	8	10
Bank charges	5	5
Depreciation	20	20
Bad debt provision	10	13
	1032	1143
Profit/(Loss) per week	(32)	107

CASH FLOW FORECAST FOR FIRST YEAR OF OPERATION

MONTHS	£	£	£	£	£	£	£	£	£	£	£	£
CASH RECEIVED												
Capital introduced												
Sales												
VAT												
Less bad debt provision												
CASH PAID												
Plant fixtures and installations etc												
Materials												
Services bought in												
Wages (net)												
PAYE and related expenses												
VAT												
Plant repairs												
Motor vehicle expenses												
Rent and rates												
Heat, light and power												
Advertising (selling expenses)												
Office/stationery/postage												
Telephone												
Insurance												
Legal fees												
Audit and accounting fees												
Bank interest												
Bank charges												
HP repayments												
Leasing fees												
Monthly position + (-)												
Cumulative position + (-)												

CASH FLOW FORECAST FOR FIRST YEAR OF OPERATION - J FROST

MONTHS	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
	£	£	£	£	£	£	£	£	£	£	£	£
CASH RECEIVED												
Capital introduced	7000	-	-	-	-	-	-	-	-	-	-	-
Sales (inc VAT)	-	-	2500	3750	5000	5000	3750	5000	5000	5000	5000	5000
Less bad debt provision	-	-	-	-	-	-	-	-	-	-	-	-
	7000	-	2500	3750	5000	5000	3750	5000	5000	5000	5000	5000
CASH PAID												
Plant fixtures and installations	4000	-	-	-	-	-	-	-	-	-	-	-
Materials	-	550	825	1100	1100	825	1100	1100	1100	1100	1100	1100
Services bought in	-	100	150	200	200	150	200	200	200	200	200	200
Wages (net)	900	900	900	900	700	900	900	900	900	900	900	900
PAYE and related expenses	-	-	420	420	420	420	320	420	420	420	420	420
VAT	-	-	-	-	-	-	-	-	-	-	-	-
Plant repairs	-	60	90	120	120	90	120	120	120	120	120	120
Motor vehicle expenses	400	400	400	400	400	400	400	400	400	400	400	400
Rent and rates	650	-	-	650	-	-	650	-	-	650	-	-
Heat, light and power	-	-	-	-	650	-	-	650	-	-	650	-
Advertising (selling expenses)	500	500	500	500	500	500	500	500	500	500	500	500
Office/stationery/postage	120	120	120	120	120	120	120	120	120	120	120	120
Telephone	-	-	-	-	520	-	-	520	-	-	520	-
Insurance	310	-	-	-	-	-	-	-	-	-	-	-
Legal fees	-	-	100	-	-	-	150	-	-	-	-	-
Audit and accounting fees	-	-	-	-	-	-	-	-	-	-	-	-
Bank interest	-	-	130	-	-	130	-	-	130	-	-	130
Bank charges	-	-	60	-	-	60	-	-	60	-	-	60
HP repayments	-	-	-	-	-	-	-	-	-	-	-	-
Leasing fees	-	-	-	-	-	-	-	-	-	-	-	-
	6880	2630	3695	4410	4730	3595	4460	4930	3950	4410	4930	3950
Monthly position + (-)	120	(2630)	(1195)	(660)	270	1405	(710)	70	1050	590	70	1050
Cumulative position + (-)	120	(2510)	(3705)	(4365)	(4095)	(2690)	(3400)	(3330)	(2280)	(1690)	(1620)	(570)

Illustration assignment 2 - Harry and Tom

Market fact finding

Harry and Tom have lost their jobs with a local large chemical company, where they were employed as process workers, because of the introduction of new technology into production methods. They received only the statutory redundancy payments which in both cases amounted to about eight weeks' wages, so they had about £900 each. They tried for some time to find suitable employment but soon realised that their prospects were fairly slim.

Harry had noticed that in the area where he lived there was no one offering a satisfactory regular window cleaning service. They decided to look closely at the prospects of securing sufficient customers to make it worth their while to establish a window cleaning business.

What questions should they ask themselves in order to decide whether they should go ahead?

(This type of case is ideal for group work, and indeed the students' own business ideas can be substituted for the window cleaning illustration).

Students should produce a self-questionnaire asking the following types of questions :

1. Who are likely to be the customers?
   Businesses, schools, relatives, neighbours, friends or people in the area.

2. What sort of service will customers expect?
   Correct equipment (ladders, leathers, buckets, sponge).
   Honesty (can we be relied on to go into a house without supervision).
   Some special feature distinguishing our service from others.

3. How will people find out about us?
   Advertisements in the local press, leaflet through the door, cards in newsagents' windows, recommendations from satisfied customers.

4. Who is filling the need now? Who are the principal competitors? What do they charge? How often do they call?
   Are they considered reliable?

5. Do we know how much to charge?

6. How much business do we need to make a living?

7. Do we need a licence to carry on the business? Can we find out about law and local regulations?

8. Are there other questions?

(Our view is that student groups should be encouraged to look at this problem 'cold' - without the benefit of any marketing education. We find that this sort of exercise begins to awaken the students to the type of questions they should be asking of themselves and the areas of marketing knowledge that need attention.)

Illustration assignment 3 - Keeping basic books

This assignment is intended to introduce students to a very basic system of keeping books of account - a system which can be kept fully updated with the minimum amount of time expended.

Our experience of the small business scene is that 99.9 per cent of the self-employed excel at their main business activity - making something, offering a service, etc. What is more, those most likely to succeed already have, when they start up in business, a hard core of customers upon whom they can rely for trade. If there is a weakness, invariably it is most commonly encountered in the failure to maintain satisfactory financial records.

This often leads to weak control, inadequate knowledge of key matters such as revenue being earned by the business, costs being incurred, the cash position, the credit control situation, ruffled creditors, etc.

The system is intended to provide sound records which will have adequate data to avoid the situations referred to above and additionally facilitate speedy completion of VAT returns if appropriate. The intention is to establish a system for the normal small business needing the minimum of attention, say around one hour per week with an additional hour once a month.

Students should enter the transactions listed on page 44 on to the pro-forma accounts sheets for sales to customers, invoices from suppliers, and cash and bank transactions (pages 45, 46 and 49). Having completed the entry of the transactions on these sheets for the month of March each sheet should be totalled and appropriate data transferred to the pro-forma Customer's and Supplier's Ledger Accounts (pages 47 and 48). Finally the VAT return (page 50) should be completed.

A model solution is provided on pages 51 to 56.

LIST OF TRANSACTIONS : MARCH

	£	
BALANCE ON HAND 1st MARCH	Bank	500.00
	Cash	100.00
SALES	*Goods*	*VAT*
	£	£
March 1 : Sold goods to T Cannon - Invoice 1	100	15.00
March 6 : Sold goods to T Cannon - Invoice 2	1000	150.00
March 9 : Sold goods to A White - Invoice 3	500	75.00
March 22 : Sold goods to T Cannon - Invoice 4	250	37.50
March 30 : Sold timber pallets for cash - Invoice 5	100	15.00
PURCHASES		
March 3 : Bought petrol for cash	20	3.00
March 5 : Bought and Received Invoice from G Hedley BR 1027	300	45.00
March 24 : Bought and Received Invoice from G Hedley BR 1129	900	135.00
CHEQUES AND CASH PAID AND RECEIVED		
March 3 : Bought petrol for cash	23	
March 16 : Bought postage stamps for cash	25	
March 23 : Sent cheque to G Hedley (payment of Invoice BR 1027)	345	
March 23 : Received cheque from T Cannon (paying Invoices 1 and 2)	1265	
March 30 : Sold timber pallets for cash	115	

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MONTHLY LIST OF INVOICES SENT TO CUSTOMERS

MONTH: .....

DATE	INVOICE NUMBER	CUSTOMER	AMOUNT OF GOODS ETC.	VAT	TOTAL INVOICE

MONTHLY LIST OF INVOICES RECEIVED FROM SUPPLIERS ETC.

MONTH: . . . . . .

DATE	INVOICE NUMBER	SUPPLIER		AMOUNT OF GOODS ETC.	VAT	TOTAL INVOICE
				£	£	£

CUSTOMER'S LEDGER ACCOUNT

CUSTOMER'S NAME ACCOUNT NO.

DATE	INVOICE NUMBER	AMOUNTS INVOICED £	PAYMENTS RECEIVED £	BALANCE £

SUPPLIER'S LEDGER ACCOUNT

ACCOUNT NO.

SUPPLIER'S NAME

DATE	INVOICE NUMBER	INVOICES RECEIVED £	PAYMENTS MADE £	BALANCE £

CASH AND CHEQUES PAID AND RECEIVED BOOK

MONTH ENDING .....

DATE	PARTICULARS	RECEIPTS				PAYMENTS			
		CHEQUES	CASH	CUSTOMER	MISC.	CHEQUES	CASH	SUPPLIER	MISC.

Value Added Tax Return

For the period

to

H M Customs and Excise

Due to reach the VAT Central Unit by

These dates must not be altered.

For Official Use

Registration No. | Period

Before you fill in this form please read the notes on the other side. You must complete all boxes — writing "none" where necessary. If you need to show an exact amount of pounds, please write "00" in the pence column. Don't put a dash or leave the column blank. Please write clearly in ink.

You must ensure that the completed form and any VAT payable are received no later than the due date by the Controller, VAT Central Unit, H M Customs and Excise, 21 Victoria Avenue, SOUTHEND-ON-SEA X

An envelope is enclosed for your use.

For Official Use

FOR OFFICIAL USE

		£	p
VAT DUE in this period on OUTPUTS (sales, etc), certain postal imports and services received from abroad	1		
Underdeclarations of VAT made on previous returns (but not those notified in writing by Customs and Excise)	2		
TOTAL VAT DUE (box 1 + box 2)	3		
VAT DEDUCTIBLE in this period on INPUTS (purchases, etc)	4		
Overdeclarations of VAT made on previous returns (but not those notified in writing by Customs and Excise)	5		
TOTAL VAT DEDUCTIBLE (box 4 + box 5)	6		
NET VAT PAYABLE OR REPAYABLE (Difference between boxes 3 and 6)	7		

Please tick only ONE of these boxes

box 3 greater than box 6 — payment by credit transfer ☐ — payment enclosed ☐

box 6 greater than box 3 — repayment due ☐

How to pay the VAT due

Cross all cheques and postal orders "A/C Payee only" and make them payable to "H M Customs and Excise". Make credit transfers through account 3078027 at National Girobank or 10-70-50 52055000 for Bank Giros and keep your payment slip. You can order pre-printed booklets of credit transfer slips from your local VAT office. In your own interest do not send notes, coins, or uncrossed postal orders through the post.

Please write your VAT registration number on the back of all cheques and credit transfer slips.

Value of Outputs (excluding any VAT)	8		
Value of Inputs (excluding any VAT)	9		

Please tick box(es) if the statement(s) apply

box 5 includes bad debt relief ☐ — box 6 includes zero-rated outputs ☐ — box 6 includes exports ☐

Retail schemes If you have used any of the schemes in the period covered by this return please tick the box(es) to show all the schemes used.

A ☐ B ☐ C ☐ D ☐ E ☐ F ☐ G ☐ H ☐ J ☐

Remember, you could be liable to a financial penalty if your return and all the VAT payable are not received by the due date.

DECLARATION by the signatory to be completed by or on behalf of the person named above.

I, ... declare that the

(full name of signatory in BLOCK LETTERS)

information given above is true and complete.

Signed ..... Date ..... 19....

*(Proprietor, partner, director, secretary, responsible officer, committee member of club or association, duly authorised person) *Delete as necessary

FOR OFFICIAL USE

VAT 100 F3780 (JULY 1986)

MONTHLY LIST OF INVOICES SENT TO CUSTOMERS

MONTH : MARCH

DATE	INVOICE NUMBER	CUSTOMER		AMOUNT OF GOODS ETC.	VAT	TOTAL INVOICES
March 1	1	T Cannon		100.00	15.00	115.00
March 6	2	T Cannon		1000.00	150.00	1150.00
March 9	3	A White		500.00	75.00	575.00
March 22	4	T Cannon		250.00	37.50	287.50
March 30	5	Timber Pallets	C	100.00	15.00	115.00
				1950.00	292.50	2242.50

MONTHLY LIST OF INVOICES RECEIVED FROM SUPPLIERS

MONTH : MARCH

DATE	INVOICE NUMBER	SUPPLIER		AMOUNT OF GOODS ETC.	VAT	TOTAL INVOICE
March 3	Cash	Petrol	C	20.00	3.00	23.00
March 5	BR1027	C Hedley		300.00	45.00	345.00
March 24	BR1129	G Hedley		900.00	135.00	1035.00
				1220.00	183.00	1403.00

CUSTOMER'S LEDGER ACCOUNT

T CANNON ACCOUNT NO. 1

DATE	INVOICE NUMBER	AMOUNTS INVOICED £	PAYMENTS RECEIVED £	BALANCE £
1 March	1	115.00	-	115.00
6 March	2	1150.00	-	1265.00
22 March	4	287.50	-	1552.50
28 March	5	-	1265.00	287.50

SUPPLIER'S LEDGER ACCOUNT

ACCOUNT NO. 1

G HEDLEY

DATE	INVOICE NUMBER	INVOICES RECEIVED £	PAYMENTS MADE £	BALANCE £
5 March	BR 1027	345.00	-	345.00
24 March	BR 1129	1035.00	-	1380.00
23 March			345.00	1035.00

CASH AND CHEQUES PAID AND RECEIVED BOOK

MONTH ENDING MARCH 31

DATE	PARTICULARS	RECEIPTS				PAYMENTS			
		CHEQUES	CASH	CUSTOMER	MISC.	CHEQUES	CASH	SUPPLIER	MISC.
1 March	Balance B/F	500.00	100.00	-	-	-	-	-	-
3 March	Petrol	-	-	-	-	-	23.00	-	23.00
16 March	Postage	-	-	-	-	-	25.00	-	25.00
23 March	G Hedley	-	-	-	-	345.00	-	345.00	-
28 March	T Cannon	1265.00	-	1265.00	-	-	-	-	-
30 March	Timber Pallets	-	115.00	-	115.00	-	-	-	-
30 March	Balance C/D	-	-	-	-	1420.00	167.00	-	-
		1765.00	215.00	-	-	1765.00	215.00	-	-
1 April	Balance B/F	1420.00	167.00	-	-	-	-	-	-

Value Added Tax Return

H M Customs and Excise

For the period

to

Due to reach the VAT Central Unit by

These dates must not be altered.

For Official Use

Registration No | Period

Before you fill in this form please read the notes on the other side. You must complete all boxes — writing "none" where necessary. If you need to show an exact amount of pounds, please write "00" in the pence column. Don't put a dash or leave the column blank. Please write clearly in ink.

You must ensure that the completed form and any VAT payable are received no later than the due date by the Controller, VAT Central Unit, H M Customs and Excise, 21 Victoria Avenue, SOUTHEND-ON-SEA X

An envelope is enclosed for your use.

For Official Use

FOR OFFICIAL USE

		£	p
VAT DUE in this period on OUTPUTS (sales, etc), certain postal imports and services received from abroad	1	292	50
Underdeclarations of VAT made on previous returns (but not those notified in writing by Customs and Excise)	2		
TOTAL VAT DUE (box 1 + box 2)	3	292	50
VAT DEDUCTIBLE in this period on INPUTS (purchases, etc)	4	183	00
Overdeclarations of VAT made on previous returns (but not those notified in writing by Customs and Excise)	5		
TOTAL VAT DEDUCTIBLE (box 4 + box 5)	6	183	00
NET VAT PAYABLE OR REPAYABLE (Difference between boxes 3 and 6)	7	109	50

Please tick only ONE of these boxes:

box 3 greater than box 6 — payment by credit transfer ☐ — payment enclosed ☐

box 6 greater than box 3 — repayment due ☐

How to pay the VAT due

Cross all cheques and postal orders "A/C Payee only" and make them payable to "H M Customs and Excise". Make credit transfers through account 3078027 at National Girobank or 10-70-50 52055000 for Bank Giros and keep your payment slip. You can order pre-printed booklets of credit transfer slips from your local VAT office. In your own interest do not send notes, coins, or uncrossed postal orders through the post.

Please write your VAT registration number on the back of all cheques and credit transfer slips.

Value of Outputs (excluding any VAT)	8	1950
Value of Inputs (excluding any VAT)	9	1220

Please tick box(es) if the statement(s) apply:

box 5 includes bad debt relief ☐ — box 8 includes exempt outputs ☐ — box 8 includes exports ☐

Retail schemes If you have used any of the schemes in the period covered by this return please tick the box(es) to show all the schemes used.

A ☐ B ☐ C ☐ D ☐ E ☐ F ☐ G ☐ H ☐ J ☐

Remember, you could be liable to a financial penalty if your return and all the VAT payable are not received by the due date.

DECLARATION by the signatory to be completed by or on behalf of the person named above.

I, ... declare that the information given above is true and complete.

(full name of signatory in BLOCK LETTERS)

Signed ..... Date ..... 19.....

*(Proprietor, partner, director, secretary, responsible officer, committee member of club or association, duly authorised person) *Delete as necessary

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VAT 100

F3790 (JULY 1988)

APPENDIX 1: CURRICULUM CONTENT

MODULE ONE
THE SELF-EMPLOYMENT ALTERNATIVE

MODULE ONE — STRAND (1)

PEOPLE IN BUSINESS

Personal presentation

Development of:
- Confidence
- Responsibility
- Personality

Planning for life - analysis of personal qualities:
- Judging people
- Evaluation of ideas
- Decision making
- Personal motivation
- Making the most of opportunity

Self-employment:
- Attractions
- Advantages (non-financial)
- Risks
- Commitment
- Financial considerations
- Contrasts with unemployment

MODULE ONE — STRAND (2)

SELLING - A MEANS TO A LIVING

Consideration of business ideas, skills, expertise, on offer

Are age, sex, location important?

Consideration of:
- Previous employment held
- Odd jobs done
- Hobbies, pastimes
- Voluntary work done

The needs the idea will meet

Reaching the market:
- Course members questionnaire

Forecasting sales

MODULE ONE — STRAND (3)

VIABILITY - REVENUE, EXPENSES AND LOCATION

The need for profit
Business viability forecasts
Comparison of forecast expenses with forecast earnings

The cost structure:
- Materials, supplies
- Wages and drawings
- National Insurance
- Rent and rates

Heat, light and power
Selling expenses
Stationery and printing
Postage, telephone, insurance
Legal fees
Audit and accounting fees
Bank interest, bank charges
Motor vehicle expenses
Hire purchase and leasing charges
Bad debt provision
Depreciation
Business location

MODULE ONE — STRAND (4)

CASH - FORECASTING

Understanding the significance of cash as distinct from profit

Cash flow forecasts:
Purpose and principles
Applicability of period
Forecasting credit given and received
Interpretation

MODULE ONE — STRAND (5)

BUSINESS PLANNING, CONTROL AND PROTECTION

The importance of the 'Business Plan'

Bringing together:
Personal details

Technical aspects
Business viability forecast
Cash flow
Other relevant information

Relating profit to investment:
Return on capital
Provision for replacement
Provision for business growth
Provision for taxation

The importance of keeping books of account
The most common types of business crime
Protection against risks

MODULE ONE — STRAND (6)

SOURCES OF FINANCE

Bank overview of the business plan
Is financial help needed?
The bank's approach to lending
Visiting the bank - the interview
Other High Street bank services
Other financial institutions
Availability of grants
Small firms guaranteed loan scheme

MODULE ONE — STRAND (7)

THE LEGAL ENVIRONMENT

Characteristics of business organisation:
Companies

Co-operatives/common ownership
Partnerships
Sole traders

MODULE ONE — STRAND (8)

TAXATION AND VALUE ADDED TAX

Making provision for taxation

MODULE ONE — STRAND (9)

PERSONAL COUNSELLING

Personal counselling

MODULE TWO
STARTING AND CONTROLLING YOUR OWN BUSINESS

MODULE TWO — STRAND (1)

PEOPLE IN BUSINESS

The decision for 'self-employment'
'Starting up' - the steps
Quantification of personal resources

Finance:
- Personal consideration
- Time
- Skill/expertise
- Equipment
- Individual assessment of financial needs
- The Enterprise Allowance Scheme
- Department of Health and Social Security
- Inland Revenue
- Customs and Excise (VAT)
- The bank
- The accountant

MODULE TWO — STRAND (2)

SELLING - A MEANS TO A LIVING

YOUR BUSINESS IDEA

Working out your sales presentation:
- Personal presentation, *YOU* are the business
- The approach to potential customers
- The sales presentation
- Closing the sale
- The follow up

Fixing your prices:
- The going rate
- Price fixing
- Unit of sale
- The cost structure of your business
- Fixed and variable costs
- Market influences

Offering what the market wants:
- Local and national demand

Market research:
- Designing your enquiry

Selecting the sample
Testing the product/service on potential customers
Role of libraries
Trade directories and trade journals
Location of premises and your market
Quantifying the results

Assessing the competition:
Potential rivals

Advertising:
Possibilities available
Value of editorial coverage
Making the most of special features, characteristics
Cost
Selecting the means and quantifying the response
Assessing the payback

Annual sales forecast:
Compilation

MODULE TWO — STRAND (3)

VIABILITY - REVENUE, EXPENSES AND LOCATION

YOUR PROFIT

Forecasting your costs
Viability forecast for your business
Interpreting your viability forecast - is it satisfactory?

Acquisition of equipment:
Value for money
The role of auctions

Deciding on premises

Availability:
- Retail
- Factory units
- Local authorities
- English estates
- Private units
- Working from home
- Your decision

Enterprise zones - financial benefit
Estimating likely costs and their level - the methods
Do you need a motor vehicle?

Providing depreciation:
- The principles
- The methods

Providing for potential bad debts

MODULE TWO — STRAND (4)

CASH - FORECASTING

YOUR CASH FLOW

Personal cash flow forecast
Your cash requirements
Taking and giving credit
The implications of VAT on the cash flow
Cash flow management
Comparisons of forecast with actual cash flows
Liaison with the bank
Bank statements
Paying-in books and cheque book stubs
Importance of invoices and receipts from suppliers
Bank reconciliation statement

MODULE TWO — STRAND (5)

BUSINESS PLANNING, CONTROL AND PROTECTION

YOUR OWN BUSINESS PLAN

Compilation of personal business plan incorporating:
- Summary of personal attributes
- Outline of business idea
- Potential customers
- Business viability forecast
- Cash flow forecast

Introduction of appreciation book-keeping system:
- Sales record book
- Purchase record book
- Personal ledgers - suppliers
  - customers
- Recording cash and cheque transactions
- Treatment of VAT

Credit control system
Valuation of stocks
The profit and loss account
The 'balance sheet'
The role of the account in your business
Problems and achievements of recent starters (successes, strugglers - even failures)
The principal causes of business failures
Business administration
Protective measures to minimise theft
Procedures to reduce cheque fraud
Security of premises against burglary, robbery and arson

MODULE TWO — STRAND (6)

SOURCES OF FINANCE

FINANCE FOR YOUR BUSINESS

The presentation of your business plan

Personal finance available to inject
Equity
Collateral and personal guarantees which may be offered by you
Where should you seek finance?

The bank:
- Overdrafts
- Term loans
- Government guaranteed loans

Finance House loans
Hire purchase
Leasing

Other sources of finance:
- Sports Council
- Regional Tourist Boards
- CoSIRA
- Local authorities
- EEC

Small firms grants

Government incentives to industry:
- Regional Development Grants
- Regional Selective Assistance
- In-plant training scheme

MODULE TWO — STRAND (7)

THE LEGAL ENVIRONMENT

Partnership agreements
Forming a company
Recovering bad debts
Small claims courts procedure
Using a solicitor

Insurance:

The legal requirements
Other desirable protection
Making your premises, equipment, plant and stock secure

Forms of organisation: implications:
Legal
Financial
Taxation

Premises:
Purchase
Leasing
Licensing
Assignment of leases
Planning permission, change of use
Environment health requirement
Location

MODULE TWO — STRAND (8)

TAXATION AND VALUE ADDED TAX

How can you reduce liability for taxation? :
How taxation is assessed on your business
What expenses are allowed?
What expenses are not deductable?
What is trading?
Capital allowances - first year and writing down allowances

Should you register for Value Added Tax?

VAT - The rules

MODULE TWO — STRAND (9)

PERSONAL COUNSELLING

Personal counselling
Small firms counselling and assistance agencies active in your area

MODULE THREE
DEVELOPING YOUR OWN BUSINESS

MODULE THREE — STRAND (1)

PEOPLE IN BUSINESS

Updating skills and expertise
Help for innovation
National Research and Development Corporation
The Patents system

Licensing requirements:
- Certain specialised activities

MODULE THREE — STRAND (2)

SELLING - A MEANS TO A LIVING

Increasing your market share

Product/Service:
- Improvement and development
- Diversification
- Simplification
- Improving selling techniques
- Franchising
- Agencies
- Exporting

MODULE THREE — STRAND (3)

VIABILITY - REVENUE, EXPENSES AND LOCATION

PAYE and National Insurance - the system

Payments to Inland Revenue
Year end PAYE procedures
Budgetary control - setting standards

Relocation of premises:
- Another area
- Larger premises

Purchasing methods:
- Procedures
- Supplier grading
- Catalogue libraries

Employing people:
- Young Workers Scheme
- Other employment subsidies
- ACAS
- Trade Unions

Depreciation methods:
- Straight line
- Reducing balance
- Other methods

MODULE THREE — STRAND (4)

CASH - FORECASTING

Completing VAT returns
Source and application of funds statements
Accounting for inflation
Investing profits

MODULE THREE — STRAND (5)

BUSINESS PLANNING, CONTROL AND PROTECTION

Useful accounting ratios
Valuation of a business - the balance sheet and profit and loss account as a guide

Can a small computer assist?

Computer applications:
- Stock control
- Cash flows
- Integrated accounts
- Ledgers - customers and suppliers
- Ledgers - nominal

Security measures re transfer of cash
Various forms of business insurance policies against employee theft, vendor theft, bad cheques, shop-lifting and robbery

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MODULE THREE — STRAND (6)

SOURCES OF FINANCE

Debentures
Exchange risk guarantee scheme
Industrial and Commercial Finance Company (ICFC)
British Technology Group
Factoring debts
Finance for expansion
Venture capital

MODULE THREE — STRAND (7)

THE LEGAL ENVIRONMENT

Consumer protection legislation
Manufacturers' liability
Implications of Sale of Goods Act provisions
Unfair Contract Terms Act
Contracts of employment
Rights and duties of employer and employee

Employment protection legislation: maternity, redundancy, dismissal
Health and Safety at Work Act
Sex and racial discrimination
Equal Pay Act
Duties to lawful visitors
Duties to trespassers

MODULE THREE — STRAND (8)

TAXATION AND VALUE ADDED TAX

Business Expansion Scheme
Basic for tax assessment - opening years
Class 4 National Insurance contributions
Relief for losses
Sub-contractors Tax Exemption Certificate

MODULE THREE — STRAND (9)

PERSONAL COUNSELLING

Personal counselling
Training and educational services for small businesses

APPENDIX 2: A CHECKLIST OF OUTCOMES AND COMPETENCES

By the end of the unit, the client learner should have .....

MODULE ONE
THE SELF-EMPLOYMENT ALTERNATIVE

PEOPLE IN BUSINESS	STRAND 1	Become more self-aware; considered the advantages and disadvantages of self-employment; given a presentation or generated his/her business idea; undertaken an assessment of personal strengths, weaknesses, degree of commitment and family support for self-employment. Met and talked to people from public and private support agencies.
SELLING - A MEANS TO A LIVING	2	Validated the idea through prototype development and/or market research. Identified needs to be met and the benefit derived. Segmented the market; identified appropriate ways of reaching customers. Made a realistic sales forecast. Matched personal skills and experience to the needs of the business, thereby identifying gaps and means of filling them. Investigated the strengths and weaknesses and operation of competitors.
VIABILITY - REVENUE EXPENSES AND LOCATION	3	Produced and amended a forecast profit and loss account, based on the sales forecast and detailed costing, using 'what if' variations. Determined the advantages and disadvantages of different types of business location. Described the terms of occupancy contracts for a business.
CASH FORECASTING	4	Produced and used cash flow forecasts with differing assumptions. Discovered that profit is

		not the same as cash. Considered basic policies for credit control and collection.
BUSINESS PLANNING, CONTROL AND PROTECTION	5	Produced a basic business plan and identified appropriate planning and control systems. Made a presentation of the business plan. Listed the most common types of business crime. Explained the need for protection against the types of risk faced by entrepreneurs.
SOURCES OF FINANCE	6	Calculated start-up resourcing needs as far as is possible. Explored the various means of meeting those needs. Examined the process of applying for a loan.
THE LEGAL ENVIRONMENT	7	Considered most appropriate legal form for the business. Mapped out in outline legal constrictions and permissions that will influence the business (Health and Safety, Consumer Protection, etc.). Understood what happens when a business fails. Awareness of process of suing and being sued for debt.
TAXATION AND VALUE ADDED TAX	8	Surveyed a range of taxes the business person might encounter. Made nominal provision for these in the business plan.
PERSONAL COUNSELLING	9	Developed a clearer idea of personal and business strengths and weaknesses, progress made, current direction and destination.

MODULE TWO
STARTING AND CONTROLLING YOUR OWN BUSINESS

STRAND	1	Participated in activities designed to enhance: self-confidence, independence, decision making, leadership, problem solving, risk assessment, creativity, time management, self-diagnosis, social skills. Identified start-up resourcing needs and appro-

priate means of meeting them. Developed a personal, step-by-step plan of action for developing the idea into an operating business (*not* a business plan). Identified and calculated personal/domestic financial needs.

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2 Carried out a useful variety of market research methods; identified potential customers, targetted prospects; prepared promotional literature; explored various advertising media and their appropriateness; practised sales presentation, overcome objections, practised closing the sale; produced sales aids, used different methods of pricing for different contexts. Explored various methods of getting free publicity. Investigated the strengths, weaknesses and methods of operation of competitors. Identified the best ways of reaching the customers; made a realistic sales forecast.

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3 Produced a fairly sophisticated set of forecast profit and loss accounts under differing assumptions and used these in planning. Determined the steps involved in selecting a business site.

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4 Produced and used cash flow forecasts of a fairly sophisticated and realistic nature and amended them using different assumptions. Investigated how the banks can help. Identified techniques for setting credit limits for credit customers. Identified effective credit collection procedures.

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5 Produced a business plan; presented it to a bank manager or accountant or small firms adviser. Identified and become familiar with appropriate planning and control systems (stock, cash, debtors, creditors, VAT, etc.). Used and extracted useful information from own forecast balance sheets. Investigated any risks involved (fire, theft, crime, credit, etc.) and identified appropriate minimisation strategies.

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6 Identified start up and operating cash needs. Been exposed to a range of financial options. Put together the most feasible financial package (including grants where applicable) and discussed this with a professional.

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7 Decided on the most appropriate legal form for the business. Ensured that any legal restrictions are taken into account in

the business plan (planning permission, partnership agreements, etc.). Examined risks, remedies and precautions appropriate to the business. Explored the best way to legal advisers.

8 Mastered VAT documentation. Gained a working knowledge of business tax allowances and charges. Met and talked to an accountant. Explored tax liability minimisation.

9 Developed a clearer idea of personal and business strengths and weaknesses, progress made, current direction and destination.

MODULE THREE
DEVELOPING YOUR OWN BUSINESS

STRAND 1 Identified particular personal skill and knowledge needs and participated in activities designed to enhance these. Met and talked to people from appropriate small business support agencies and identified how each might be used for personal benefit. Explored the implications of employing people.

2 Identified and explored various means of product/market development including new products, new markets, acquisitions, franchising agencies, exporting. Met and talked to people from appropriate support agencies for product/market development and identified how each might help.

3 Used own financial information for analysis, management control and planning purposes. Completed a locality feasibility study for the business.

4 Identified own areas of weakness in cash management and undertaken exercises to enhance them. Developed credit and collection policies and procedures.

5 Produced a business development plan for his/her business which is capable of being implemented. Practised various

analytical techniques on own financial statement (ratio analysis, flow of funds, etc.) to assist planning and control. Had hands-on experience of spreadsheets and other computer software and had the opportunity of evaluating their usefulness. Identified proper security procedures for the transfer of cash. Prepared policies to help minimize losses due to employee theft, vendor theft, bad cheques, shoplifting and robbery.

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6 Identified any cash needs for developing the business and explored appropriate methods of meeting them. Discussed these with professionals.

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7 Identified areas in the legal domain that need to be explored further and examined the implications for the business development strategy. Made contact with and consulted appropriate advisers.

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8 Identified areas in the tax domain that need to be explored further and examined the implications for the business development strategy. Made contact and consulted with appropriate advisers.

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9 Developed a clearer idea of personal and business strengths and weaknesses, progress made, current direction and destination.

APPENDIX 3: CRAC INFORMATION GUIDE

(from *Education for Enterprise*, CRAC, 1984)

Resources (1): Projects and Organisations

Paul Moran
National Extension College
Marjorie Kingsland
National Youth Bureau

A Educational programmes relating to enterprise

Organisation/project	Nature of activity
Apex Trust 31–33 Clapham Road LONDON SW9 0JE Telephone 01-582 3171	Training and advisory service for agencies working with ex-offenders. Includes resources for the development of self-learning and enterprise.
Business Opportunities Project City and East London College Bunhill Row LONDON EC1Y 8LQ Telephone 01-628 0864	21-hour course for unemployed people wishing to work for themselves. Covers all aspects of starting a business, but oriented towards the needs of the individual student. Aim is for students to produce a business portfolio to support an application for funding.
Cardiff University Industry Centre PO Box 78 University College CARDIFF CF1 1XL Telephone (0222) 44211 ext 2296	Research into methods for teaching innovation and enterprise in schools.
CRAC Insight Programme Careers Research and Advisory Centre Bateman Street CAMBRIDGE CB2 1LZ Telephone (0223) 354551	(see Project Profiles)
Department of Trade and Industry (Education Unit) Ashdown House LONDON SW1 Telephone 01-212 8643	Produces materials (including video) for the development of industrial and business awareness in schools.
Durham University Business School Mill Hill Lane DURHAM DH1 3LB Telephone (0385) 41919	(see Project Profiles)
Education for Neighbourhood Change School of Education University of Nottingham NOTTINGHAM NG7 2RD Telephone (0602) 56101	(see Project Profiles)
Head Start in Business Education for Industrial Society 48 Bryanston Square LONDON W1H 7LN Telephone 01-723 4075	(see Project Profiles)
Into Business Project New Enterprise Workshops SW Brunswick Dock LIVERPOOL L3 4AR Telephone 051-708 0952	(see Project Profiles)
London Enterprise Agency 69 Cannon Street LONDON EC4N 5AB Telephone 01-236 2675	(see Project Profiles)
Merseyside Education Training and Enterprise Ltd Salisbury Street LIVERPOOL L3 8DR Telephone 051-207 2281	One of a number of Merseyside initiatives involving a range of local interest groups and supported by the European Social Fund and other sources. Offers training courses and other forms of support to help young people develop and launch business ventures.
Mid-Wales Development Ladywell House Newtown POWYS Telephone Newtown (0686) 26965	As part of its schools/industry programme, promotes 'Business Awareness for Young People' in the area. Among the projects supported are the Powys Rural Enterprise project and pilot curriculum projects involving enterprise in local schools.
Project Fullemploy Clerkenwell Workshops 31 Clerkenwell Close LONDON EC1 Telephone 01-251 4083	(see Project Profiles)
SCIP (The Industry Project) Harford House Great Portland Street LONDON W1N 5FA Telephone 01-636 8762	(see Project Profiles)
Scottish Enterprise Foundation University of Stirling STIRLING FK9 4LA Telephone (0786) 3171	Centre for research, training and support for enterprise in Scotland, including a programme for graduates.
URBED 99 Southwark Street LONDON SE1 0JF Telephone 01-928 9515	Draws on a wide range of training and consultancy experience to run courses on how to start a business. Also involved more generally in urban regeneration projects (including small workshop provision).
Young Enterprise 48 Bryanston Square LONDON W1H 7LN Telephone 01-262 2401	(see Project Profiles)

B Other advice/counselling and facilities (including finance) to support youth enterprise

Organisation/project	Nature of activity
ARC Advice Centre for the Young Self-Employed 19-20 Bissell Street BIRMINGHAM B5 7HP Telephone 021-622 1010	Run by the Action Resource Centre, provides encouragement, practical advice and back-up support for young people entering self-employment.
Brass Tacks Workshops 18 Ashwin Street LONDON E8 Telephone 01-249 9462	Re-cycling workshops funded under the MSC's Community Programme. In some cases, trainees go on to start their own businesses with the aid of 'umbrella' agencies such as Bootstrap.
Castlecliff Workshops 25 Johnson Terrace EDINBURGH EH1 2NH Telephone 031-226 2623	Backed by the Scottish Craftsmanship Association, incorporates 'enterprise' into the training of young people in craft skills. Also provides advice, counselling, and other facilities in relation to business start-up, and generally promotes self-employment and enterprise among young people.
Facility for Arts and Crafts Enterprise Workface Market Place Glastonbury SOMERSET Telephone Glastonbury (0458) 33917	FACE is a YTS managing agent providing training in creative and artistic skills with an orientation towards self-employment as well as employment.
Grow-up Cleppa Park Caerleon Newport GWENT NP1 1YT Telephone Newport (0633) 680771	(see Project Profiles)
Industrial Common Ownership Movement 7-8 Corn Exchange LEEDS LS1 7BP Telephone (0532) 461737	Supports a number of initiatives in the area of youth co-operatives, including the making of a video film about youth co-operatives and the establishment of a Youth Co-operatives Development Scheme.
Instant Muscle c/o Rank Xerox (UK) Ltd Cambridge House Oxford Road Uxbridge MIDDLESEX UB8 1HS Telephone Uxbridge (0895) 51166 ext 316	(see Project Profiles)
Inter-Action Trust 15 Wilkin Street LONDON NW5 3NG Telephone 01-267 9421	Runs community self-help projects including activities with young people such as 'Make it Yourself'. Has recently set up an Institute for Social Enterprise.
Livewire (England and Wales) National Extension College 18 Brooklands Avenue CAMBRIDGE CB2 2HN Telephone (0223) 316644	(see Project Profiles)
Medway Towns Youth Unemployment Project 16 New Road Chatham KENT Telephone Chatham (0634) 45555	Supported by Kent County Council and the Urban Programme as an all-purpose facility for the young unemployed. As well as providing a drop-in centre and training in skills (under the Community Programme), helps young people to find gaps in the market for self-employment activities through its Work Development Programme.
Practical Action Victoria Chambers 16-20 Strutton Ground LONDON SW1P 2HP Telephone 01-222 3341	(see Project Profiles)
Project North East 5 Saville Place NEWCASTLE UPON TYNE NE1 8QU Telephone (0632) 617856	(see Project Profiles)
Springboard Centre Unit A1 Mantle Lane Coalville LEICESTERSHIRE Telephone Coalville (0530) 812238	Supported by Leicestershire County Council and the Urban Programme, provides advice and information to unemployed people regarding setting-up in business and other employment alternatives. Facilities include small workshop units and meeting rooms.
Sunderland Youth Employment Project 29 Stockton Road SUNDERLAND SR1 7AQ Telephone (0783) 40661	Co-ordinates local resources to enable young people to make constructive use of their time and to create their own employment opportunities. Includes provision of low-cost premises and an advice and support service.
Swansea Centre for Trade and Industry Singleton Street SWANSEA SA1 3QH Telephone (0792) 476666	A department of Swansea City Council engaged in local commercial and industrial development, has initiated a number of projects geared towards young people, including a business apprenticeship scheme and a Young Business Club.
Wandsworth Unemployed Youth Project 92 St John's Hill LONDON SW11 Telephone 01-228 6693	Run by the youth service in Wandsworth, has provided advice, support, and access to funds and transport for a number of ventures created by groups of unemployed young people in the area.
Youth Business Initiative Royal Jubilee Trusts 8 Buckingham Street LONDON WC2N 6BU Telephone 01-930 9811	Run by the Princes Trust and Jubilee Trusts in many areas of the country, provides advisory support and cash bursaries to unemployed young people attempting to start up in business.
Youth Employment Resource Unit 1 Albert Street Dale End BIRMINGHAM B4 7TX Telephone 021-233 2452	Involved in many local initiatives including East Birmingham Community Jobs – an attempt to make creative use of the MSC's Community Programme for developing part-time work activities into self-employment initiatives.

C Other useful addresses

Action Resource Centre
(Head Office)
9 Henrietta Place
LONDON W1
Telephone 01-629 3826

Association of Graduate Careers Advisory Services
Central Services Unit
Crawford House
Precinct Centre
MANCHESTER M13 9EP
Telephone 061-273 6464

Banking Information Service
10 Lombard Street
LONDON EC3V 9AT
Telephone 01-626 9386-7

British Consortium for Innovation
Cavell House
Charing Cross Road
LONDON WC2H 0HF
Telephone 01-240 7982

British Franchise Association
75a Bell Street
Henley-on-Thames
OXON RG9 2BD
Telephone (0491) 578049

British Unemployment Resource Network
318 Summer Lane
BIRMINGHAM B19 3RL
Telephone 021-359 6596

Business Graduates Association
28 Margaret Street
LONDON W1N 7LB
Telephone 01-637 7611

Business in the Community
227a City Road
LONDON EC1V 1JU
Telephone 01-253 3716

Careers and Occupational Information Centre
Manpower Services Commission
Moorfoot
SHEFFIELD S1 4PQ
Telephone (0742) 753275

Centre for Employment Initiatives
140a Gloucester Mansions
Cambridge Circus
LONDON WC2H 8PA
Telephone 01-240 8901/2

Co-operative Development Agency
(Head Office)
Broadmead House
21 Panton Street
LONDON SW1Y 4DR
Telephone 01-839 2988

Council for Small Industries in Rural Areas
(Head Office)
CoSIRA
141 Castle Street
Salisbury
WILTSHIRE
Telephone Salisbury (0722) 336255

Crafts Council
12 Waterloo Place
LONDON SW1Y 4AU
Telephone 01-930 4811

Education for Capability
Royal Society of Arts
8 John Adam Street
LONDON WC2
Telephone 01-839 2366

Education for Enterprise Network
National Extension College
18 Brooklands Avenue
CAMBRIDGE CB2 2HN
Telephone (0223) 316644

Foundation for Education with Production
(UK Section)
Pant-Teg
St Mellon's Road
CARDIFF CF3 9YG
Telephone (0222) 757641

Intermediate Technology Development Group
6 Avonmouth Street
LONDON SE1
Telephone 01-407 4478

Local Economic Development Information Service (LEDIS)
The Planning Exchange
186 Bath Street
GLASGOW G2 4HG
Telephone 041-332 8541

Mutual Aid Centre
18 Victoria Park Square
LONDON E2 9PF
Telephone 01-980 6263

National Institute for Careers Education and Counselling
The Hatfield Polytechnic
Balls Park
HERTFORD SG13 8QF
Telephone (0992) 58451

National Youth Bureau
17-23 Albion Street
LEICESTER LE1 6GD
Telephone (0533) 554775

Scottish Vocational Preparation Unit
Jordanhill College of Education
86 Southbrae Drive
GLASGOW G13 1PP
Telephone 041-954 2925

Shell UK Ltd
(Small Business Unit)
Shell-Mex House
The Strand
LONDON WC2
Telephone 01-257 3185

Society of Education Officers
(Industry Liaison)
48 Bryanston Square
LONDON W1H 7LN
Telephone 01-262 2404

Tavistock Institute of Human Relations
120 Belsize Lane
LONDON NW3 5BA
Telephone 01-435 7111

Understanding British Industry
(Resource Centre)
New Inn Hall Street
OXFORD OX1 2QE
Telephone (0865) 722585

Resources (2): Materials

Paul Moran
National Extension College
Marjorie Kingsland
National Youth Bureau

A General discussions and background

Self-Sufficiency: 16-25
R Bourne and J Gould
London: Kogan Page, 1983; £7.95
Description and analysis of many of the projects providing encouragement and support to young people to create their own work as a response to unemployment. Draws conclusions and sets out policy recommendations.

Whose Business is Business?
London: Calouste Gulbenkian Foundation (98 Portland Place, London W1N 4ET), 1981; £3.50
Report of a study of community business ventures carried out by Colin Ball. Looks at the potential for job creation in local communities within a third sector of the economy, distinct from private and public enterprise.

Education, Unemployment and the Future of Work
A G Watts
Milton Keynes: Open University Press, 1983; £5.95
Examines the implications for education of increasing unemployment, and discusses possible responses from the point of view of probable and preferable futures.

Education for Enterprise
Leicester: National Youth Bureau, 1983, free (single copy; otherwise 20p each)
Information pack produced on behalf of the Education for Enterprise Network, including descriptions of relevant projects – both school-based and community-based.

B Kits, simulations etc for use within an 'education for enterprise' context

The Mini Co Kit
E Bray
York: Longman Resources Unit (33-35 Tanner Row, York YO1 1JP), 1983, £18
Programmed materials designed to enable young people of all ability levels to set up their own mini-companies or mini-co-operatives in teams. For use in schools, colleges, YTS, etc. Manuals written and illustrated in entertaining strip-cartoon style.

Supa Notes: a Business Game
M James
Watford: Engineering Industry Training Board (54 Clarendon Road, Watford WD1 1LB), 1983; £20
Simulation of setting up and running a business, designed for teams of sixth-formers. Use of computer for analysing results.

Biz Game
Basic Skills Unit/Industrial Training Research Unit
Sheffield: COIC, 1983; £5
Based on the *Help!* board game. Involves players solving business start-up problems by locating the appropriate resources and encountering 'chance' factors on the way. Designed to develop awareness of business start-up and the sources of help available.

Five Simple Business Games
Cambridge: CRAC, 1978; £32.34
Simulation of small-business problems and issues of economic growth. Designed for 15+ age-range. Teachers' guide available at £6.65. Computer version to be available on BBC model B.

Getting into Production
Nottingham: Education for Neighbourhood Change, 1982; £20.75
Simulation on setting up community ventures within a disused school. Kit includes models of premises, equipment, etc. and opportunities for practice of negotiating skills and decision-making in teams.

C Other stimulus materials relating to youth enterprise

Booklets/leaflets/posters

All Our Own Work
L Thompson/Basic Skills Unit
Sheffield: COIC, 1983; 95p
Contains stories of young people who are working for themselves. Also a 'Biz Quiz', lists of money-spinning ideas, hints from experience, and lists of useful addresses and references. One of the *Learning to Earn* series.

So You Want to . . .
York: Longman Resources Unit, 1981; £3.60
A set of six booklets intended for school-leavers for use in group discussion. Two of the titles are . . . *Stand on Your Own Feet?* and . . . *Get Started?* and cost 60p each if purchased separately.

Working for Yourself
London: Barclays Bank, 1982; free
Contains basic information for young people thinking of starting a business, and also some case-studies.

Ideas for Self-Employment and Part-Time Work
T Crowley
London: Careers Consultants, 1983; £1
Contains a 16-page list of the sorts of jobs young people might undertake on a part-time or self-employed basis.

Working for Yourself
London: Shell Education Service, 1983; free
A wall-poster illustrating the requirements for setting up as self-employed. Includes sources of help and advice.

Video/audio

Head for Business
London: Department of Trade and Industry; video (available from Central Film Library, Chalfont Grove, Gerrards Cross, Bucks SL9 8TN)
Starring John Cleese and Nicholas Lyndhurst. Designed to illustrate the development and launch of a business idea and the sources of help available (as well as some of the obstacles to be encountered). Teachers' notes included.

Self-Starters
London: Department of Trade and Industry; video (available from Central Film Library)
A film which draws on a number of case studies of self-employed people to illustrate the qualities required for starting up in business, and some of the rewards and drawbacks relating to this type of work. Teachers' notes included.

Project Fullemploy
London: BBC; video
25-minute film of the Project Fullemploy New Work Ventures course at Clerkenwell, featuring interviews with the trainees and the organisers, and demonstrations of the trainees' self-employment projects.

A Co-operative Tale: Co-Lignum
Exeter: South West Arts Association (23 Southernhay East, Exeter EX1 1QL), 16mm film
Case-study of a wood-working co-operative which evolved from a Bristol youth workshop.

Co-ops
London: Lambeth Co-operative Development Agency (Lady Margaret Hall Settlement, 460 Wandsworth Road, London SW8); video
Includes case-studies of six co-operatives, interviews with members, and comparisons between co-operatives and conventional firms.

Creating Your Own Work
G Dauncey
Cambridge: CRAC; audio cassette; £14.95
'Careers drama' designed to stimulate interest in alternatives to unemployment, including self-employment and co-operatives.

D Guides suitable for young people on setting up an enterprise

Work for Yourself: a Guide for Young People
P Hall
Cambridge: National Extension College, 1983; £3.25
Goes through all the relevant steps from self-assessment to how to stop if it all goes wrong. Includes case-studies of young people who entered the Shell Survival Awards Scheme.

Minding Your Own Business: a Step-by-Step Work Book and Guide to Self-Employment
P Phillips and C Swanson
Sheffield: COIC, 1982; 95p
Illustrated guide in the form of a workbook which covers all the main elements of starting a business.

Your Own Business
Cambridge: CRAC, 1983; £2.85
One of the *Survival and Job Skills* series produced by CRAC. Illustrated workbook and guide containing case-studies and sources of help and advice.

Down to Business: Basic Information for Business Starters
Basic Skills Unit
Sheffield: COIC, 1983; £1.75
One of the *Learning to Earn* series. Contains factual information relating to business start-up (legal, financial, etc.) and includes advantages, risks, and things to bear in mind in relation to each aspect.

Enterprise Fact Bank
Nottingham: Education for Neighbourhood Change, 1984 (revised edition); £2.20
Wallet of cards containing information relating to a wide variety of business aspects, including sources of help etc.

How to Survive Unemployment
R Nathan and M Syrett
Harmondsworth: Penguin, 1982; £2.95
Suggestions for alternatives to unemployment, including a section on self-employment.

The Unemployment Handbook
G Dauncey
Cambridge: National Extension College, 1981; £2.50
Provides practical advice and information for the unemployed, including how to become self-employed.

E General texts relating to self-employment, working at home, and co-operatives

Self-employment

Self-Employment Fact Book
N Prentis
Cambridge: Great Ouse Press, 1983; £3.95
Covers financial and administrative aspects of setting up in business.

Going Solo: a Guide to Running Your Own Business
W Perry and D Jones
London: BBC, 1981; £1.99
Supporting text for Radio 4 programme.

Creating Your Own Work
M Mason
Henley-on-Thames: Gresham Books, 1983; £2.95
Mainly crafts-oriented. Includes case-studies.

'Be Your Own Boss' Kit
D Watkins *et al*
Cambridge: National Extension College, 1982; £5.95
Adapted from the NEC's *Small Business Kit*, and produced to accompany a Yorkshire TV series.

The Small Business Guide: Sources of Information for New and Small Businesses
C Barrow
London: BBC, 1982; £4.50
Compilation of useful information sources and services.

Start Your Own Business: the Self-Employment Option
J Hillman
London: London Enterprise Agency, 1982; £2.50
Includes case-studies of people who have been through LEntA's courses and have started up enterprises.

Starting and Running a Small Business
A Sproxton
St Ives: United Writers Publications (Trevail Mill, Zennor, St Ives, Cornwall), 1981; £3.95
Based on the author's experience of running small businesses.

Occupation: Self-Employed
R Pettit
London: Wildwood House, 1981; £3.95
Descriptions of about 70 self-employed people, including problems and benefits of working for oneself.

Work for Yourself: the Complete Introduction to Self-Employment
C Parsons and A Neustatter
London: Pan, 1980; £1.25
Covers the basics of starting a business and includes some case-studies.

Setting Up a Workshop
J Crowe
London: Crafts Council, 1983; £2.50
Covers the many aspects relating to setting up and running a crafts workshop.

'The Guardian' Guide to Running a Small Business
C Woodcock (ed)
London: Kogan Page, 1983; £5.95
Contains articles by specialists covering many aspects of small business, compiled by the editor of *The Guardian* small-business section.

Sweatshop: a Woman's Guide to Self-Employment
London: Friday Publications (20 Rosebery Gardens, London N8), 1983; £5.95
Pack of information and guidance specifically oriented for women wishing to become self-employed.

Working at home

Practical Guide to Making Money at Home
O Franklin
London: Macdonald, 1981; £3.95
Includes ideas and information about how to implement them.

Earning Money at Home
Hertford: Consumers Association (Caxton Hill, Hertford SG13 7LZ), 1979; £3.95
Basic introduction including product suggestions and financial and legal aspects.

Earn Money at Home: Over 100 Ideas for Business Requiring Little or No Capital
P Davidson
Maidenhead: McGraw Hill, 1981; £7.95
Wide range of ideas given with explanations, check-points, and information about advantages and disadvantages.

Co-operatives

How to Start a Workers' Co-operative
J Brown
Leeds: Beechwood College (Elmete Lane, Leeds 8), 1982; 95p
Short introductory booklet for people intending to set up a co-operative. Covers the main aspects and provides information and guidance.

Workers' Co-operatives
P Cockerton *et al*
Aberdeen: Aberdeen People's Press (163 King Street, Aberdeen), 1980; £3.95
Covers all aspects of setting up and running co-operatives. Includes useful publications and sources of help.

Work Aid: Business Management for Co-operatives and Community Enterprises
T Naughton
Leeds: Beechwood College, 1981; £2.95
For people starting up a small-scale co-operative or community venture. Designed for those with little business experience.

Workers Co-operatives: Jobs and Dreams
J Thornley
London: Heinemann, 1983; £4.95
An overview of the workers co-operative movement, including comparisons with overseas.

The Co-operative Way
A Antoni
Leeds: Industrial Common Ownership Movement, 1979; £1.50
Pamphlet explaining the 'why' of co-operatives.

An Introduction to Workers' Co-operatives in the UK
Milton Keynes: Open University Co-operatives Research Unit, 1982; free
Brief introduction and guide to sources of information concerning workers' co-operatives.

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Objectives

The objects for which **The Further Education Unit (FEU)** is established are to promote, encourage and develop the efficient provision of further education in the United Kingdom and for that purpose:
a) to review and evaluate the range of existing further education curricula and programmes and to identify overlap, duplication, deficiencies and inconsistencies therein;
b) to determine priorities for action to improve the provision of further education and to make recommendations as to how such improvement can be effected;
c) to carry out studies in further education and to support investigations of and experimentation in, and the development of further education curricula and to contribute to and assist in the evaluation of initiatives in further education;
d) to disseminate and publish information and to assist in the dissemination and publication of information about recommendations for and experiments and developments in further education.

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